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SPOKESMAN ON U.S. INVITATION, ARMS SALES TO IRAN

HK111437 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1130 GMT 11 Mar 87

[Text] Beijing, 11 March (ZHONGGUO XINWEN SHE) -- China will study the U.S. invitation to senior Chinese leaders to visit the United States this year. The invitation was issued by U.S. Secretary of State George Shultz during his recent visit to China. This was remarked by Chinese Foreign Ministry Spokesman Ma Yuzhen at a news briefing this afternoon.

At the news briefing, a journalist said that the United States had made a statement that American diplomats are permitted to have serious conversations with DPRK counterparts on social occasions. He then asked for China's comment on the statement.

Ma Yuzhen said that China has taken note of the statement made by the United States and hopes the United States and the parties concerned will make further efforts for the relaxation of tension on the Korean peninsula.

Another reporter said that Shultz had also mentioned the question of China's arms deals to Iran. He asked: Has China sold weapons to Iran directly or indirectly? What is China's reaction to the question?

Ma Yuzhen said that Shultz had explained to China the influence of the Iran-contra incident, and China's consistent stance of not selling arms to Iran is obvious to all.

FOREIGN FIRMS SIGN OIL EXPLORATION CONTRACTS

OW111138 Beijing XINHUA in English 1122 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- China National Offshore Oil Corporation (CNOOC) during its second round of bidding has signed eight contracts with 15 foreign companies for blocks in the Pearl River Mouth and South Yellow Sea, covering a total area of 44,912 square kilometers.

This was announced by Chen Binqian, vice-president of CNOOC, at a press conference here today.

The 15 foreign companies include Japan Petroleum Exploration Co. Ltd., Esso China Ltd., Shell Exploration (China) Ltd., Texaco Petroleum Maatschappij (Netherlands), and BP Petroleum Development Ltd.

At the same time, CNOOC has signed with AMOCO Orient Petroleum Company a first round contract, covering 9,238 square kilometers, and concluded three geophysical survey agreements in the Pearl River Mouth Basin and Beibu Gulf with Huanan and Nanhai Oil Development Corp., Getty Oil International (Orient) Inc. and Sun Orient Exploration Company, covering 6,389 square kilometers, according to Chen.

The vice-president said that a well gushing 6,670 bbl. daily was already sunk in the contract area of the first contract of the second round bidding.

"We will continue to adopt flexible approaches on the basis of equality and mutual benefit in the joint exploration and development of our offshore petroleum resources," he said.

He told XINHUA and CNOOC will work out procedures to sell geophysical and drilling data of some sea areas for the interested foreign companies to study.

There are 25 petroleum contracts and geophysical survey agreements under execution in China's offshore waters, and 37 companies from 10 countries are cooperating with CNOOC. And now, 33 oil and gas bearing structures have been discovered, two oilfields have gone into production, and one oilfield is under development.

SOONG CHING LING GROUPS ORGANIZED ABROAD

OW071210 Beijing XINHUA in English 1142 GMT 7 Mar 87

[Text] Beijing, March 7 (XINHUA) -- Five Soong Ching Ling foundations -- named after the widow of Sun Yat-sen -- have been set up in Beijing, Shanghai, Tokyo, Canada and the United States, today's OVERSEAS EDITION of the "PEOPLE'S DAILY" reported.

Since the first such foundation was set up by Soong's relatives in Beijing in 1982, other similar organizations have been set up abroad, to serve the cause of enriching educational and cultural opportunities for youth and children, a cause much promoted by Madame Soong.

The paper reported that the foundation in Beijing is building a children's science park inside the present Yuyuantan Park.

A special education program will be sponsored to publish books for children, show children's films and video and organize theater art competition and exhibitions.

The "Soong Ching Ling Children Literature Prize" and a "Globe Outlook" prize for children's scientific inventions will be given this year.

As well, the construction of a large children's center will be started in Tianjin.

At the same time, the foundations abroad are collecting funds independently, while working for the foundations in China. Books, money, toys, electronic equipment, video tape recorders, computers collected by the foundations from Japan, the United States and Hong Kong have arrived in China.

OFFICIALS REQUEST U.S. SUPPORT ON TAIWAN ISSUE

OW121107 Tokyo KYODO in English 1103 GMT 12 Mar 87

[Text] Beijing, March 12 KYODO -- China requested U.S. support in promoting its plan to open relations with Taiwan in three different areas as a step toward reunification of the island with the mainland, Western diplomatic sources here said Thursday.

The three areas cover postal, trade and transportation links which China first proposed to Taiwan in 1981, but Taiwan has kept refusing.

The sources said the subject of U.S. support for the Chinese proposal came up at a lengthy meeting on March 2 between U.S. Secretary of State George Shultz and Chinese Foreign Minister Wu Xuzhian.

Shultz, however, dodged the issue, refusing to make a clear U.S. commitment, the sources said.

In another meeting during Shultz's five-day China visit earlier this month, President Li Xiannian said U.S. support for Taiwan was a substantial issue blocking progress in Sino-U.S. relations, indicating China plans to continue its firm stance regarding the Taiwan issue.

RENMIN RIBAO VIEWS TOWER RECOMMENDATIONS

HK120347 Beijing RENMIN RIBAO in Chinese 10 Mar 87 p 6

["Jottings" by Cang Mang (5547 5413): "Men or the System?"]

[Text] The commission headed by former Senator Tower, which was appointed by the President to investigate the "Irangate" incident, recently published a 300-page report. According to an editorial in THE NEW YORK TIMES, the conclusion of the Tower Commission was that "the problem is not in the system, but in the men." That is to say, the structure of "separation of the legislative, executive, and the judicial branches of the government," which is the foundation of the political system of the United States, clearly defines the functions and responsibilities of the administration, Congress, and the Supreme Court in the executive, legislative, and judicial aspects and enables them to check and balance each other, thus preventing any power organ from making arbitrary decisions and taking peremptory actions. However, a group of presidential advisers "evaded all checks," "deliberately circumvented the laws and regulations about informing Congress of what they were going to do," and "did not notice all warning signals." That was the reason why the "Irangate" incident occurred.

Is this really the case? Obviously, that is not the whole story.

The "separation of powers" system cannot absolutely divide powers among the three branches of the government as some admirers think. [paragraph continues]

In the early 19th century, Jefferson, one of the founders of the United States and an outstanding statesman, sharply pointed out: "When all powers are concentrated in Washington (the capital), the checks and balances of one branch of the government over the other will become weak and ineffective," and this may cause corruption and tyranny. The history of the United States shows that the "separation of powers" system cannot prevent more and more powers from being concentrated in the hands of the President, and cannot prevent the outbreak of big or small political crises caused by the upset of the balance of powers. Since the 1970's, major crises such as the "Watergate" incident, the "debategate" incident, and the "Irangate" incident have been exposed. They were merely the most outstanding cases that were known to the world.

The "Irangate" incident not only damaged Reagan's image, but also damaged the image of the United States. The report of the Tower Commission tried to maintain the prestige of the political system of the United States, and this intention is understandable. However, it is still hard to explain why such "gate" scandals have appeared one after another.

GUOJI SHANGBAO NOTES SINO-U.S. ECONOMIC RELATIONS

HK120701 Beijing GUOJI SHANGBAO in Chinese 28 Feb 87 p 1

[Article by Chen Shibiao (7115 2514 2871), commercial counsellor of the Chinese Embassy to the United States: "A New Chapter in Sino-U.S. Economic Relations"]

[Text] For over 20 years, China and the United States had no trade contacts or exchanges. On 28 February, 1972, the world-renowned Shanghai Communique was born, which eventually opened the door of exchange between the Chinese and American peoples. In the Shanghai Communique, both sides unanimously held that economic relations based on equality and mutual benefit conform with the interests of both the Chinese and American peoples. Both sides also agreed to facilitate the gradual development of trade relations between the two countries. Since then, Sino-U.S. trade relations have been restored and developed.

In 1972, Sino-U.S. trade started almost from zero. Within a short period of 15 years, the United States has become China's third largest trade partner with a momentum of "the newcomer surpassing the old-timers." At present, the investment made by American businessmen in China ranks the first among all foreign investments. The various types of economic cooperation between the United States and China have been developing rapidly, and the speed, scale, and scope of the development of Sino-U.S. economic cooperation are gradually expanding. What is more important, in recent years, Sino-U.S. bilateral trade has developed from the unitary trade method of earning foreign exchange through barter trade into both the diversified trade method (which includes investment, cooperation, compensation trade, processing of materials supplied by foreign businessmen, and so on) and the compound trade method (which refers to the integration between industry and trade, integration between technology and trade, leasing trade, and so on), and developed from the unitary commercial functions to the multiple commercial functions (which include inviting advanced foreign technology, foreign capital, and foreign information, cooperating with finance, establishing overseas enterprises, and so on); the structure of U.S. exports to China is now rapidly developing in the orientation of machinery, technology, and equipment. It was estimated that in 1986, U.S. exports of the above mentioned products to China accounted for about half of the total amount of the U.S. exports to China, which has fundamentally changed the past situation of the U.S. exports to China mainly consisting of farm products and raw material products. [paragraph continues]

The various positive factors that have emerged in the Sino-U.S. trade have strengthened the confidence of both the Chinese and American economic and trade circles in their bilateral economic and trade cooperations and the further development of the trade relations between the two countries.

China's grand goal of realizing the four modernizations has opened up wide prospects for Sino-U.S. economic and technological cooperations and the development of Sino-U.S. trade relations. Looking to the second 15 years in the development of Sino-U.S. trade relations, both sides are expected to carry out various economic and technological cooperations on a wider scale. Not only that China's policy of opening up to the outside world will continue to be adhered to for a long time to come in the future, but also that China will become more open in the future. Practice has proved that although China and the United States have different social systems, we can strengthen our bilateral trade relations and technological cooperation on the basis of quality, mutual benefit, and supplying each other's needs. Over the past 15 years, China and the United States have been able to develop each other's advantages, learn from each other's strong points to offset each other's weaknesses, and carry out cooperation on the basis of mutual benefit. The course of history has incontrovertibly proved the prophesy of the Shanghai Communiqué signed 15 years ago: "The economic relations based on equality and mutual benefit conform with the interests of both the American and the Chinese peoples."

According to the statistics of our country's customs areas, the total Sino-U.S. trade volume in 1986 reached \$7.336 billion.

According to the preliminary statistics of the relevant departments of our country, by the end of the third quarter of 1986, China and the United States had signed agreements on a total of over 260 projects, including joint ventures, cooperative enterprises, offshore oil prospecting and development projects, and enterprises with exclusive foreign investment, involving a total of \$2.7 billion, and accounting for 14 percent of the total number of foreign funds used by China.

Since the State Council of our country promulgated the "Decision On Encouraging the Investment Of Foreign Businessmen" and other foreign-related economic laws as well as the detailed rules and regulations concerning the implementation of these laws, the friends in the U.S. industrial, commercial, and financial circles have expressed greater interest in making investment in China and accelerated the pace of making investment in China. This has greatly promoted the Sino-U.S. trade and economic and technological cooperation. Doctor Hammer, director of the U.S. Occidental Oil Corporation, said that he "had full confidence in China's policies." Recently, new progress has been made in the Sino-U.S. cooperation in the development of Pingshuo Coal Mine, a joint venture project; the agreement on the loans to be jointly provided by 34 Japanese and European banks has been signed; the production of the Jeep Company jointly invested in by China and the United States, whose future was once in doubt, has begun to improve, and the products produced by the company will be sold in Central America and Southeast Asia. Mr Sheng Pi Ai Er [5110 4122 1002 1422], general manager of the Jeep Company, was very happy to remit the dividends of the U.S. side from Beijing to the United States; the plan of China and the United States jointly producing planes has begun to be implemented on a full scale, and the wings and the fuselage of the first MD-82 plane have already been connected; and The Shanghai-Foxboro Company Ltd., a Sino-U.S. joint venture, which began business in 1983, has become one of the advanced foreign-invested technological enterprises in Shanghai. Within a short period of time, it has achieved remarkable successes in its production and management. [paragraph continues]

Not long ago, the U.S. Yun Tong [6663 6639] Company signed an agreement with Beijing on building a comprehensive building which will cost \$0.15 billion. These facts vividly show that China is a good place for investment.

Facts speak louder than words. However, outside China, there are always some people who make remarks contradictory to the facts when commenting on the problems that have emerged and are being solved in the process of Sino-U.S. trade development. These people say that there are "trade barriers" in China and "there are no guarantees for the investments made in China." These remarks have objectively played a detrimental role in the development of Sino-U.S. economic and trade relations. I think that facts are the best answers.

We always adopt a positive attitude towards, and fully affirm, any progress made in the course of the development of Sino-U.S. economic and trade relations. Of course, we have also noticed that compared with the potentials of both countries, the achievements so far made in the development of Sino-U.S. economic and trade relations have not yet reached the optimum level. Presently, in the Sino-U.S. economic and trade relations, there are still some factors that prevent the potentials of both countries from being brought into full play. These factors are shown in the trade protectionism on the U.S. side, the U.S. restrictions on its export of technologies, and the U.S. implementation of outdated trade laws. Because of these negative factors, we have met with various difficulties and restrictions in our exports to the United States and our imports of technologies and concessional loans from the United States, and in some other aspects.

It is known to all that whether our country will be able to expand its export to the United States and minimize its deficit in the Sino-U.S. trade is an important question. The expansion of exports will determine whether our country will be able to increase its capability of paying for imports from the United States and whether such a payment capability will be strong enough to promote a steady and sustained development of Sino-U.S. economic and technological cooperation. If the United States really wants to expand its export to China, it must realize that its possession of advanced technology is important, but possession alone of advanced technology is not enough and will only let a golden opportunity slip. At present, in the keen competition on the international market, the competitive terms in technological transfer, flexible terms in bilateral trade, and favorable credit and loans are all more important factors. In my opinion, these are the fields in which the U.S. side should make greater efforts.

When commemorating the 15th anniversary of the Shanghai Communique, the industrial and commercial circles of both sides and the friends of all walks of life in both countries should join hands to eliminate the obstacles, tap the potential, and release all the energy of Sino-U.S. trade and cooperation and open up new prospects in Sino-U.S. economic and trade relations!

RENMIN RIBAO CONDEMNS JAPANESE COURT RULING

HK111220 Beijing RENMIN RIBAO in Chinese 6 Mar 87 p 7

[Article by Zhao Lihai (6392 3810 3189), professor of international law at Beijing University: "Japanese Law Court's Ruling on the Kokorio Case Is a Serious Violation of the International Law"]

[Text] Diplomatic relations between China and Japan have been restored and normalized for 15 years, and relations between the two countries have made great progress in this period. However, there are also some unpleasant problems, and one of them is the Kokorio case.

Kokorio is a five-story building in Japan's Kyoto city, with a floorspace of 992.58 square meters. This property was bought after World War II by the resident delegation of the former Chinese Government with public money gained from selling the property plundered by the Japanese invading army from the Chinese mainland. The building was used as a dormitory for Chinese students. It was later registered by the then Taiwan authorities' "embassy to Japan" in the name of "the Republic of China." It is in fact China's state property.

In 1967, the Taiwan authorities, in the name of their "ambassador to Japan" Chen Chih-mai, filed a suit in the Kyoto District Court against Yu Binghuan and seven other Chinese students who lived in Kokorio, and demanded that the court evict the Chinese students from the building. While the legal proceedings were under way, the Chinese and Japanese Governments published a joint declaration on normalizing their diplomatic relations on 29 September 1972. The Kyoto District Court ruled on 16 September 1977 that Kokorio is China's state property; as Japan recognized that the PRC Government is China's sole legal government, the ownership and right of use of the former Chinese Government over China's state property should be shifted to the PRC Government. So the Kyoto District Court overruled the claim of the plaintiff.

The plaintiff refused to accept the ruling and lodged an appeal to the Osaka Higher Court. The Osaka Higher Court disregarded the Sino-Japanese joint declaration and accepted the appeal over China's state property lodged by the Taiwan authorities in the name of "the Republic of China." The court also cooked up a number of "reasons and proofs" to vindicate the plaintiff's claim. On 14 April 1982, it overruled the original ruling by the district court, and return the case to the Kyoto District Court for retrial.

In February 1986, the Kyoto District Court changed its previous position and ruled that Kokorio is owned by the Taiwan authorities. This ruling seriously harmed the PRC's legitimate rights and interests. In view of this unreasonable ruling by the Kyoto District Court, the defendant immediately appealed to the Osaka Higher Court. On 26 February 1987, the Osaka Higher Court maintained the district court's second judgment.

Then, following the normalization of Sino-Japanese diplomatic relations, should a Japanese court accept the lawsuit filed by the Taiwan authorities in the name of "Republic of China"? Are the "grounds of argument" for the ruling of the Japanese court tenable? Can the Japanese Government handle this case on the basis of domestic laws without regard to its commitments to international law. This article will analyze these questions from the angle of international law.

I. The Japanese Court Should Not Accept a Lawsuit Lodged by the So-called "Republic of China" [subhead]

Following the normalization of Sino-Japanese diplomatic relations, should the Japanese court accept a lawsuit lodged by the Taiwan authorities in the name of "Republic of China"? Obviously not.

First, according to international law, the legal result of recognizing a foreign government is that, to the country making this recognition, the toppled old regime in the recognized country no longer exists in legal terms; so the old regime thus loses right to lodge a suit to the courts in the country making this recognition. (see "The Legal Results of International Recognition" by Hewei [6378 4850], 1923 version, p 157) Laotepaite [0525 3676 3175 3676], a former judge of the international court, pointed out: "In a court of a foreign country, a state or government which has not been recognized, as well as its decrees, do not exist in legal terms." So in general, courts in a foreign country "do not accept the lawsuits filed by an unrecognized regime." (see "Recognition in Terms of International Law" by Laotepaite, 1947 version, p 44) That an unrecognized regime cannot file a lawsuit in a foreign court is a principle which has long been accepted by judicial precedents. (Such as the lawsuit against Jibulaliao [0679 1580 2139 6849 1159] filed by the Russian Socialist Soviet Republic in 1923. See "International Law: Cases, Documents, and Notes" by Buligesi [1580 6849 2706 2448], 1938 version, pp 82-86) Moreover, the so-called "Republic of China" in the Kokorio case has long been overthrown by the Chinese people and no longer exists; and the Taiwan authorities are merely local authorities. So they have no right to file a suit concerning Kokorio, the state property, in the name of a state or government in a Japanese court, and the Japanese court must not accept the litigation.

Second, according to the 1972 Sino-Japanese joint declaration, the Sino-Japanese peace and friendly treaty, and the two governments' agreement on the Taiwan issue, the Japanese Government recognizes that the PRC Government is the sole legal government of China and also recognizes that Taiwan belongs to China. Therefore, Japan has the duty to recognize that Taiwan is an inseparable part of the territory of the PRC. The Sino-Japanese peace and friendship treaty signed in 1978 once again reaffirmed this principle. Japan's Constitution also stipulates in Article 98: "Treaties concluded by Japan and all established international laws must be faithfully observed." Thus, Japan bears the legal duty of not recognizing the old regime which has been toppled by the Chinese people. However, the Japanese courts' acceptance and handling of the lawsuit and appeal lodged by "Republic of China" not only violated the joint declaration and the treaty, but also violated Japan's Constitution.

Finally, it must be pointed out here that the Kokorio case is not an ordinary civil lawsuit. In the name of the "Republic of China," the Taiwan authorities took legal proceedings over China's state property in the Japanese courts. This was completely different from the civil lawsuits lodged by Taiwan's natural or legal persons. As everyone knows, Taiwan is a province of China. Since the restoration of Sino-Japanese diplomatic relations, the Japanese Government has promised that Japan will merely maintain nongovernmental and local-level relations with Taiwan. However, the Japanese courts not only accepted and handled a lawsuit with the "Republic of China" as the plaintiff and appellant, but even ruled that the "Republic of China" still has the right to own China's state property. This in fact exceeded the scope of nongovernmental and local-level relations, and formed official relations with the Taiwan authorities by taking Taiwan as a "political entity." So it was an act of creating "two Chinas" or "one China, one Taiwan." It was an obviously deceitful argument to say that Japan merely treated the "Republic of China" as something like an ordinary legal or natural person or a civil organization who has the right to be a litigant.

It must also be pointed out here that although the judgment of the Osaka Higher Court on 26 February 1987 suddenly changed the name of the plaintiff from "the Republic of China" into "Taiwan," it maintained the erroneous position of the district court's ruling on the de facto existence of "the Republic of China." This precisely reflected the guilty conscience of the Japanese court, which tried to cover up its mistake of creating "two Chinas" or "one China, one Taiwan" by changing the name of the plaintiff. This only made its sinister attempt more obvious.

II. The Japanese Courts Negation of the PRC Government's Right To Take Over the Ownership of Kokorio Violated the Norms of International Law [subhead]

When a revolution occurs in a country and a new regime replaces an old regime and becomes a legal government, there will be a government succession. The new legal government has the right to claim, take over, and dispose of the property of the old government in foreign countries. ("Aobenhai [1159 2609 3189] International Law," eighth edition, Vol 1, p 132; "International law" by Gelige [2706 6849 0766], 1976 edition, p 15) the Kokorio case is no exception.

However in the ruling over the Kokorio case, the Kyoto District Court and the Osaka Higher Court in Japan cooked up all sorts of pretexts to justify themselves. The two courts said that "the government of the Republic of China is now still governing Taiwan and the surrounding islands," so the PRC Government does not completely inherit the property of the old Chinese Government in foreign countries. They also said that Kokorio is not "diplomatic property or property related to the exercise of state power," so it does not fall into the scope of property that should be taken over by the new government. However, these arguments are untenable, because:

First, according to international law, only in the case of state succession may the incomplete inheritance of state properties arise. This is because the international capacity of the state from which state properties are inherited has changed partially. For example, part of a country's territory is separated from the country and becomes independent or is merged into another country. Then, the independent territory or the territory being merged into another country will face the issue of inheriting the state property of its mother country inside the territory, and it cannot inherit all of the mother country's state property because the mother country still exists. However, in the condition of government succession, no matter whether the government change is completed through revolution or in light of the constitutional procedures, the country's status in terms of international law does not change. This is the "principle of the state's continuity and uniformity." ("the Unity and Continuity of State in International Law" by Malik, 1968 edition published in Geneva, p 15) Therefore, the government inheritance can only be complete inheritance and cannot be incomplete inheritance. There is no precedent of incomplete government inheritance in international judicial practice.

Some Taiwan international law experts also held that if there is government inheritance like that described by the traditional international law scholars, it should be complete inheritance. Obviously, the Japanese court's argument about the PRC Government's incomplete inheritance was based on the erroneous premise of creating "two Chinas," and it confused the basic difference between state inheritance and government inheritance.

Second, once a new government which is established through revolution and is recognized by a foreign country, the ownership of the public property of the old government in that foreign country will be shifted to the new government. [paragraph continues]

This is a long established norm of international law. As a famous international law expert, Aokangnaier [1159 1660 1143 1422] pointed out: "The result of recognizing a new government as a government in legal terms is that the courts in the country which recognizes the new government agree that the new government will inherit all public property of the old government and that the old government is deprived of all property inside or outside its territory." (see "International Law" by Aokangnaier, 1970 edition, p 191)

However, based on the opinion of the Japanese law experts that the continental law system divides state property into public property and private property, the Japanese court decided that Kokario is not diplomatic or consular property, so it should not be taken over by the PRC Government. This is untenable in theory of law.

There are differences in the practice of determining the definition of state property. Apart from the continental law system, there is also the practice of the British and American law system which does not divide state property into two categories. In fact, countries pursuing other law systems, such as socialist countries, do not divide state property into different categories either. When the International Law Committee of the United Nations discussed the formulation of the stipulations about the inheritance of state property, special staffer Beidejiawei [6296 1795 6328 1218] clearly pointed out: On the definition of state property, the continental law system's practice of dividing state property into public property and private property is not satisfactory, because it is not universally applied and is invalid in other law systems ("Yearbook of the International Law Committee," 1973 edition, Vol 2, p 22). Even in the countries pursuing the continental law system, concrete practices are different from one another, and major changes have occurred in their practice with more countries stopping the dividing of state property into two categories ("Yearbook of the International Law Committee," 1968 edition, Vol 2, p 106). In view of these facts, Beidejiawei said that the separation of public property from private property had in fact tended to vanish in practice ("Yearbook of the International Law Committee," 1970 edition, Vol 2, p 134) This shows that the Japanese court applied an unsuitable and dying rule to this case, and this was not fair.

Even if the Japanese court can take the practice of the continental law system as the grounds for handling the Kokario case, there are still some questions: Is the public property in the continental law system just limited to diplomatic and consular property? Does Kokario belong to the so-called private property? The Japanese court held confused concepts when dealing with these questions. Aokangnaier pointed out that although it is not easy to distinguish public property from private property, at least, the property related to sovereignty should be regarded as public property. ("State Inheritance Related to Domestic Law and International Law," Aokangnaier, 1967 edition, p 199). French scholar Puludong [2528 7627 2639] held in his works that public property refers to the property which is used in the exercise of government functions. ("State Inheritance Related to Domestic Law and International Law" by Aokangnaier, 1967 edition, p 199) When explaining the definition of property related to sovereignty, Beidejiawei, staffer of the UN International Law Committee, said that property related to sovereignty is the property that the state uses to demonstrate and exercise its sovereignty or uses to perform general duties involving state sovereignty, that is, the duties in national defense, security, public health, education, and general national development. ("Yearbook of the International Law Committee," 1968 edition, Vol 2, p 106) This shows that the category of public property goes far beyond the scope of diplomatic and consular property as the two Japanese courts and the Japanese law experts defined. Of course, diplomatic and consular property is definitely related to state sovereignty, but if the proposition is reversed and if one says that only diplomatic and consular property can be regarded as state sovereignty, then that is absolutely wrong. [paragraph continues]

Japan is a sovereign country, then can we say that only Japan can be regarded as a sovereign country? In order to achieve some political purpose, the Japanese side has made staggering confusion in its reasoning. It is certain that the proposition that public property, or property related to state sovereignty, is limited to diplomatic and consular property is groundless in international law theories, in domestic law theories, and in international practice. As far as private property is concerned, the UN court for the Libya issue made an authoritative explanation: This is property that the state uses for profit purposes and which is owned in the name of individuals. ("State Inheritance Related to Domestic Law and International Law" by Aokangnaier, 1967 edition, p 219) This is certainly of great significance in analyzing the Kokario case. As everyone knows, Kokario is house property bought by the resident delegation of the former Chinese Government in Japan with public money gained from selling the materials plundered by the Japanese Army that invaded China, and has always been used to serve the public interests and has never been used for any profit purposes. So it should never be put in the category of private property.

In addition, Kokario is used for the purpose of training and cultivating talented people for state construction, so it is state property that is needed in the performance of state functions. In 1951, after Japan was turned from an occupied territory to an independent country, it did not restore diplomatic relations with the PRC for reasons known to everyone; instead, in 1952, it concluded the so-called "peace treaty" and restored "diplomatic relations" with the remaining elements of the old Chinese Government who had been overthrown by the Chinese people and fled to Taiwan. So in 1952, the Taiwan authorities' "embassy in Japan" was able to take over the business of the former resident delegation in Japan, and signed the contract with the former owner of the house property, and then in 1961, the property was registered in the name of the "Republic of China." This showed that Kokario, the property of the Chinese people, was seized by the Taiwan authorities under some abnormal historical conditions. With the restoration of Sino-Japanese diplomatic relations, Japan recognizes that the PRC Government is the sole legal government of China. Then, it is right and proper that the ownership of Kokario be shifted to the PRC Government. In addition, since the normalization of the Sino-Japanese diplomatic relations, our country's embassy in Japan and the consulate General in Osaka have given constant supervision and guidance to the management of Kokario. Our government has also appropriated a special fund for repairing Kokario and maintained the use of Kokario as a dormitory building for Chinese students in Japan through the self-administrative association of Kokario. So Kokario has been in fact in the control of the PRC Government.

All this shows that the PRC government indisputably has the ownership over Kokario. The Japanese Government cannot deny this fact.

III. The Japanese Government Cannot Refuse To Perform

Its International Duties Under the Pretext of Its Domestic Laws [suprahead]

Since 1974, the Chinese Government has made many representations to the Japanese Government, pointing out that Kokario is China's state property that the PRC Government must take over, and requiring the Japanese Government to take effective measures to ensure the PRC Government's legitimate rights and interests over Kokario. However, it is regrettable that the Japanese Government insisted that according to Japan's Constitution, the administration has no right to interfere in the judicial institution, and tried to shirk responsibility under the pretext of "three-powers separation" and "judicial independence." Then, people may ask whether a country can refuse to perform its international duties with its domestic laws as an excuse. The answer is certainly "no."

In accordance with the accepted international law, a country cannot use its domestic laws and regulations as an excuse to defend its actions in violation of its international commitments. ("Principles of International Law," by Bulangli [1580 6745 0448], 1979 edition p 36) The "Draft Declaration on State Rights and Duties" adopted by the Fourth UN General Assembly in 1949 stipulated in its Article 13 that "all countries must perform the duties derived from international treaties and international law, and must not refuse to perform these duties due to their own constitutions or other domestic laws." The 1969 Vienna Convention on Treaty Laws also clearly stipulates in Article 27: "A country concerned cannot use its domestic laws as an excuse to refuse to perform the treaties." This norm was affirmed and pursued by the permanent international court in the 1930's in the handling of a number of cases (such as the case of "Polish citizens in Danzig" in 1931 and the case of "the free zone of Upper Silesia" in 1932). The court announced that a country cannot use its own domestic law to fight against another country and to shirk its commitment in light of international law and international treaties.

Of course, in light of the principle of state sovereignty, a country has the right to determine its own political system and all internal affairs and other countries have no right to interfere in these things. However, when handling a case related to foreign relations, a country cannot take its constitution as an excuse to refuse to perform its international commitments, because this is not allowed according to international law. On this point, some Japanese scholars also said that "the state has the general duty to bring its domestic laws into line with its international commitments. That a state cannot shirk its international responsibility under the excuse of its domestic law is a definite principle of international law. If the domestic law contradicts international law and makes the state unable to observe some international commitments, then there will be international responsibility." ("Foundation of International Law" by Sawaichi Tera and Kusani Yamamoto, Chinese translation version, p 99)

In countries which pursue the "three-power separation" system, the administrative branch is responsible for foreign relations, and Japan is no exception. In light of the stipulation of Article 73 of Japan's Constitution, the power of "handling diplomatic relations" belongs to the Japanese Cabinet. This shows that when handling foreign relations, Japan is an integrated entity rather than three governments. The handling of Kokorio, China's state property, is an issue related to Sino-Japanese bilateral relations and the two country's agreements and treaties, so the issue should be properly handled by the Japanese Government. If the Japanese Government, which has the constitutional functions of handling foreign affairs, refuses to cooperate with a foreign government on foreign affairs, it in fact tries to shirk its legal responsibility.

There is a Chinese saying "listen to what a person says and watch what he does." On the one hand, the Japanese side expresses its willingness to observe the Sino-Japanese joint declaration and the Sino-Japanese peace and friendship treaty and to increase friendly relations with China; on the other hand, it acts in a different way on such principled matters as the Kokorio case. This is unfavorable to the normal development of Sino-Japanese relations. All sanctions which use legal procedures to create "two Chinas" or "one China, one Taiwan" and to harm the legitimate rights and interests of the PRC are illegal. Only when the Sino-Japanese joint declaration and the Sino-Japanese peace and friendship treaty are strictly observed can friendly relations between the two countries and the two peoples be continuously developed and the fundamental interests of all be observed.

BANGKOK HOSTS DIPLOMATIC 'FLURRY' OVER CAMBODIA

OWO41620 Beijing XINHUA in English 1535 GMT 4 Mar 87

["News Analysis: Flurry of Diplomatic Activities Around Kampuchean Issue (by Zhu Zhenguo)" -- XINHUA headline]

[Text] Bangkok, 4 Mar (XINHUA) -- With Indian Minister of State for External Affairs Natwar Singh leaving here this morning, the flurry of diplomatic activities around the Kampuchean issue early this week is over.

The activities, which also included the visits here by the Soviet and Malaysian foreign ministers, have provided people with food for thought.

One interesting point is that the three ministers flocked to Bangkok almost at the same time and with a same purpose -- to talk with Thai leaders about the Kampuchean conflict, an issue which has been in stalemate for eight years.

Thailand is a frontline country in the ASEAN region which strongly denounces the Vietnamese occupation of Kampuchea and firmly demands the complete withdrawal of the Vietnamese troops from that country. No one denies the fact that Thailand is playing a significant role on the issue.

Despite limitations imposed by time, it seems that Shevardnadze's visit was important in the sense that Thailand was able to obtain at first hand the Soviet view on the Kampuchean conflict.

Shevardnadze accepted the principle perhaps for the first time that foreign troops should withdraw from Kampuchea. Also for the first time, he was of the opinion that the Soviet-offered 22-month timetable for the withdrawal of the Soviet troops from Afghanistan might be a model in solving the Kampuchean conflict.

However, it will be wrong to conclude from the substance of the talks that the Kampuchean issue is one step nearer to resolution, local analysts said. In their view, the Afghan question is no nearer to solution, too.

The Soviet Union is well known to be the main backer of Vietnam in its military occupation of Kampuchea. Without Soviet Assistance, Vietnam could hardly manage to carry on the war of aggression in Kampuchea for such a long time. Consequently, analysts said, substantial progress on the Kampuchean issue could hardly be expected before the Soviet Union stops its military aid to Vietnam under the present circumstances.

It might be accidental that soon after Shevardnadze left here for Australia on March 2, Indian Minister of State for External Affairs Natwar Singh arrived. Prior to his arrival, it was widely reported that a Soviet-Indo initiative on Kampuchea was in the offing. But this was denied by Soviet and Indian officials.

However, a stark fact is that Singh spent most of his time exchanging views with Thai Foreign Minister Sitthi Sawetsila on Kampuchea.

According to a Thai Foreign Ministry spokesman, the Indian side asked Thai officials not to reveal the content of the talks to the press.

India is one of the countries which recognizes the Vietnamese-installed regime in Phnom Penh. But Indian officials used to evade talking about the Kampuchean conflict publicly.

Judging from the Indian minister's two-day visit, observers have speculated that India has started getting involved in the solution of the Kampuchean problem no matter whether it wants to be a mediator or not. India seems to have some inside information about developments in Kampuchea and Vietnam, they noted.

As regards the visit to Bangkok by Malaysian Foreign Minister Rais Bin Yatim, it contained a sort of reaffirmation of the common stand taken by ASEAN which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

While insisting on a withdrawal of Vietnamese troops from Kampuchea as a pre-condition to a solution of the Kampuchean issue, Malaysia expressed the view that any overture or willingness on part of Vietnam to talk with any of ASEAN countries was to be welcomed.

However, a final solution to the Kampuchean problem could not bypass the Coalition Government of Democratic Kampuchea which is waging a resistance war against Vietnamese occupation. Without the agreement of that coalition government, any form of solution to the Kampuchean problem will not do, analysts said.

RADIO BEIJING REPORTS TRADE PACT WITH PHILIPPINES

HK060403 Beijing International Service in Tagalog 1130 GMT 5 Mar 87

[Text] In Manila, China and the Philippines have signed a trade protocol for the year 1987. This is the first such agreement to be signed by both countries since the Aquino government took power on 25 February 1986. The protocol states that China will import coconut oil, copra concentrates, [words indistinct], lumber, plywood, iron alloys, bananas and other products from the Philippines. For its part, the Philippines will import from China [words indistinct], charcoal, [words indistinct], minerals, chemicals, soybeans, cotton and other items.

The protocol specifies that both sides will endeavor to ensure that the trade imports and exports will be equally balanced. The agreement was signed by Chen Zhesheng, head of the visiting Chinese Government delegation and departmental director in the Ministry of Foreign Economic Relations and Trade, and Victor Gosiangfiao, [words indistinct] of the Philippine delegation and special assistant to the Philippine Secretary of Trade and Industry.

AFGHAN RECONCILIATION OFFENSIVE SEEN 'FUTILE'

HK101427 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 87 pp 52-54

[Article by Mei Zhenmin [2734 2182 3046]: "Futile 'Reconciliation Offensive'"]

[Text] Recently the Soviet Union, deeply mired in Afghanistan, turned to launching a spectacular "reconciliation offensive," with the goal of hurriedly ending its military involvement without having to give up its acquired interest.

In this "reconciliation offensive," the role of the Kabul regime has been deliberately emphasized and allowed to move onstage. On New Year's Day, Radio Kabul announced the "Program for Comprehensive National Reconciliation" proposed by Najibullah, general secretary of the Afghan People's Democratic Party. Najibullah himself, in speeches on various occasions, appealed for a ceasefire between the warring parties and announced that government troops would observe a unilateral 6 month ceasefire beginning 15 January; declared the intention to hold dialogues with the resistance movement and to negotiate for the formation of a "coalition government"; and announced the granting of "general amnesty" and the release of political prisoners who "declare their loyalty to the government." He said he would not go after soldiers who had deserted the government army, would resettle returning refugees, and he expressed willingness to designate Islam as the national religion. He also proclaimed that he would reach an agreement with the Soviet Union on conditions and a timetable for the withdrawal of troops. He stressed that the end of foreign military aid to Afghan guerrillas, would mean the immediate withdrawal of Soviet troops. At the same time, the Kabul authorities set up "national reconciliation committees" in various parts of the country, dispatched emissaries to the border areas to sell the idea to the guerrillas, and specially trained and sent agents to infiltrate the guerrilla army in an attempt to trap the resistance movement.

The Kabul regime's "reconciliation offensive" is being carried out entirely under the instigation and orchestration of the Soviet Union. The slogan of the "reconciliation offensive" was first put forward by PRAVDA in December 1985, while the decision to stage this offensive was made in Moscow in mid-December last year. Gorbachev summoned Najibullah and practically every member of his party Central Committee's Political Bureau to Moscow, where they held "strategic talks." Returning to Kabul, Najibullah immediately convened an extraordinary enlarged plenary session of the party Central Committee, and proposed what has been termed as a "historic turning point" by TASS -- the "program for comprehensive reconciliation."

The ceasefire suggestion of the Kabul authorities was rejected by the resistance movement and did not gain serious attention from the world community. Soviet Foreign Minister Shevardnadze and Dobrynin, member of the Secretariat of the CPSU Central Committee, who is in charge of international relations, personally went to Kabul to specifically "convey the Soviet Union's sincere desire for vigorous promotion and implementation of the policy of national reconciliation." They declared that "parents, wives, fiancées and comrades of Soviet soldiers are waiting anxiously at home for their return," and indicated that the Soviet Union was willing to withdraw troops immediately in order to enhance the results of the "reconciliation offensive."

The purpose behind the Soviet direction of this "peace offensive" is the hope of paving the way for the war's end. The 200,000 Soviet troops fighting for 7 years have not only failed to suppress the resistance of the Afghan people, but also instigated an ever-growing resistance movement. [paragraph continues]

At present, the resistance movement already possesses 200,000 armed men and 1.5 million potential soldiers. The seven major resistance organizations have jointly formed the "Islamic Alliance of Sacred Fighters of Afghanistan." The military approach cannot annihilate the resistance movement -- this has become a final conclusion. During these 7 years, 40,000 Soviet soldiers were killed or wounded, 600 aircraft and 1,800 tanks and armoured vehicles were lost, and billions of dollars were wasted. The continuation of this war not only incurs the dissatisfaction of the Soviet people, but also runs counter to the general strategy of "accelerating social and economic development" and of reinforcing national overall strength as formulated at the 27th CPSU Congress. Moreover, this war of aggression puts the Soviet Union in a passive position in international politics; it is denounced annually at the UN General Assembly, and improvement of relations with some Asian countries is directly hampered.

However, the Soviet Union has yet to alter its stand of "guarantees first, then withdrawal," and has not given up its strategic goal of reducing Afghanistan to a dependent state. During his visit to Kabul, Shevardnadze stated that "political settlement will have to be premised on a halt to foreign intervention and a guarantee that such intervention will not recur." This is naturally unacceptable to the international community, which supports the Afghan people's resistance against the Soviet invasion. As long as the Soviet Union does not withdraw its invasion army from Afghanistan, the people of various countries in the world will continue to support the Afghan people's struggle against aggression. Obviously, the objective of the Soviet Union is still to establish a pro-USSR regime based on the present Kabul government. It considers the control of Afghanistan an essential part of its strategy to move south to the warm-water ports, and has already paid a huge price for it; it will not give up the fight easily.

At present, leaders of the seven resistance movements forming the "Islamic Alliance of Sacred Fighters of Afghanistan" have decided to turn down the cease-fire proposal of the Kabul authorities and indicated that "they would not stop fighting until the Soviet troops are expelled from Afghanistan." They are also preparing their own provisional government to strengthen the struggle against aggression. Therefore, the "reconciliation offensive" launched by the Soviet Union through the Kabul regime is unlikely to produce any results.

TRADE, ECONOMIC ACCORD SIGNED WITH INDIA

OW110121 Beijing XINHUA in English 0110 GMT 11 Mar 87

[Text] New Delhi, March 10 (XINHUA) — A memorandum on trade and economic cooperation between China and India was signed here today, with emphasis on the need for expansion of bilateral trade.

The memorandum was signed by Jia Shi, leader of a visiting delegation of the China Council for the Promotion of International Trade (CCPIT), and R.P. Goenka, president of the Federation of Indian Chambers of Commerce and Industry (FICCI).

The memorandum noted that the progress made by both economies and the open policies adopted by the two countries "have provided favourable conditions for transfer of technology and industrial collaborations."

During the preceding two days of discussions, both sides expressed satisfaction with the implementation of the previous FICCI-CCPIT agreements on trade issues and reaffirmed their commitment to strengthen bilateral cooperation.

They agreed that two-way trade had progressed satisfactorily though the trade position was "heavily in favor of China." It was decided that "ways will have to be found to expand trade further and steps taken to rectify the imbalance." The two-way trade between India and China last year was to the tune of 100 million U.S. dollars with India's imports from China amounting to 75 million U.S. dollars.

DELEGATION ATTENDS MANAGEMENT SEMINAR IN NEPAL

OW091758 Beijing XINHUA in English 1450 GMT 9 Mar 87

[Text] Katmandu, March 9 (XINHUA) -- A 17-day seminar on import management for developing countries in the Asian-Pacific region opened here today, with the focus on national import planning and procurement.

The seminar, the sixth of its kind, was organized jointly by the Economic and Social Commission for Asia and Pacific (ESCAP), the Program for Development Cooperation (PRODEC) of Finland and the UN International Trade Center (ITC) in cooperation with the Nepalese Government.

Programs of the seminar include business games on purchasing, personnel management and imports, quality assurance and inspection, contracting and communication and negotiation skills.

Participating in the seminar are officials from Burma, China, Indonesia, Iran, Malaysia, the Philippines, Thailand and host Nepal. Two participants from Bangladesh are expected to arrive two days later. Nine speakers from seven countries will give lectures.

In a message read out at the opening ceremony, [words indistinct] Kibria said that the developing countries are being annoyed by widespread protectionism, a decline in concessional aid flow, a sharp fall in commodity supply, drastic deterioration of trade and mounting debt burdens.

"It is of utmost importance for the developing countries to economize on the precious foreign exchange resources at their disposal in order to implement their development programs," he said.

Seminars of this kind started in the region in 1982. The first three were held in Thailand and the last two in China. It is financed by Finland through the country's international development agencies.

WU XUEQIAN MEETS POLISH SECRETARY JARUZELSKI

OW111313 Beijing XINHUA Domestic Service in Chinese 0720 GMT 11 Mar 87

[Text] Warsaw, 11 Mar (XINHUA) -- W. Jaruzelski, first secretary of the Polish United Workers Party and chairman of Poland's Council of State, met with Wu Xueqian, state councillor and foreign minister of China, here this evening.

Jaruzelski recalled his successful visit to China last year and said he is looking forward to meeting Comrade Zhao Ziyang to exchange ideas with him on matters of mutual interest. He also talked about Poland's socialist construction and economic reforms. Jaruzelski emphasized that there are many similarities between China and Poland and said the two countries should expand contacts and exchange experience. Poland attaches great importance to developing relations with China and hopes the two countries will expand their political dialogue to develop bilateral economic and trade cooperation and relations between their mass organizations.

During the meeting, Wu Xueqian first conveyed greetings extended to Comrade Jaruzelski by Comrades Deng Xiaoping, Zhao Ziyang, and Li Xiannian. He also introduced to Jaruzelski the current domestic situation in China. Foreign Minister Wu stressed that China attaches very great importance to developing friendly relations with Poland in all fields.

Jaruzelski asked Foreign Minister Wu to convey his greetings to Comrades Deng Xiaoping, Zhao Ziyang, and Li Xiannian.

The meeting was permeated with an atmosphere of cordial friendship.

Wang Jinqing, Chinese ambassador in Poland, was present at the meeting.

Confers With Foreign Minister

OW111331 Beijing XINHUA Domestic Service in Chinese 1758 GMT 11 Mar 87

[Text] Warsaw, 10 Mar (XINHUA) -- Polish Foreign Minister Orzechowski gave a banquet tonight in honor of Chinese State Councillor and Foreign Minister Wu Xueqian and his party.

Orzechowski said in his toast: "We are watching with admiration the PRC's accelerated development, profound reforms, and modernization program, and its achievements in improving the people's living standards." He said: "We have noticed with satisfaction the growing role and significance of the People's Republic of China in the international arena, and admire your efforts to defend peace and develop international cooperation."

Orzechowski said: "Thanks to joint efforts made by both sides, the cooperation between our two countries and between their peoples has entered a new stage of qualitative change. The new stage has begun since last year's visit to Beijing by Comrade W. Jaruzelski, first secretary of the Polish United Workers Party and chairman of Poland's Council of State. I don't think it is an exaggeration to describe Jaruzelski's visit to China as a turning point in the history of Polish-Chinese relations." He expressed the hope that in the course of promoting its development, Poland can "rely on cooperation with friendly countries, including China, and use their experience."

Wu Xueqian said in his answering speech: In recent years, marked progress has been made in Chinese-Polish relations in political, economic, scientific, technological, and cultural fields. Particularly since Comrade Jaruzelski's visit to China in September of last year, Chinese-Polish relations have entered a brand new period of development. He said: "Comrade Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the State Council, will visit Poland in June this year. We are convinced that his visit will greatly consolidate and strengthen the friendship and cooperation between China and Poland."

Foreign Minister Wu pointed out, "It is our fundamental policy to fully respect the domestic and foreign policies of East European socialist countries, which are formulated in consideration of their own realities and interests. In the days to come, we will, as always, adhere to this policy to handle China's relations with Poland and other East European socialist countries."

Present at the banquet were Polish Deputy Premier Gwiazda, Director of the Foreign Affairs Department of the Polish United Workers Party (Kucha), Chief Editor of TRYBUNA LUDU (Miyaka), and Chinese Ambassador to Poland Wang Jinqing.

Foreign Minister Wu held talks with Orzechowski this afternoon. The Chinese visitors also laid a wreath at the tomb of the unknown martyrs in Warsaw.

Meets Party, Government Leaders

OW112004 Beijing XINHUA Domestic Service in Chinese 1545 GMT 11 Mar 87

[Text] Warsaw, March 11 (XINHUA) -- Visiting Chinese State Councillor and Foreign Minister Wu Xueqian separately met here today with Zbigniew Szalajda, vice chairman of Poland's Council of Ministers, and Marian Wozniak, member of the Political Bureau of the Polish United Workers' Party. The two sides had cordial and friendly conversations.

Chinese Ambassador to Poland Wang Jinqing was present at the meeting.

Before their meeting, Wu had the last round of talks with his Polish counterpart Marian Orzechowski, at which they exchanged views on the international situation.

WU XUEQIAN MAKES VISIT TO CZECHOSLOVAKIA, POLAND

For Prague and Warsaw media coverage of the visit to Czechoslovakia and Poland by PRC Foreign Minister Wu Xueqian, see the Czechoslovakia section of the 9 March Eastern Europe DAILY REPORT, the Poland section of the 11 March Eastern Europe DAILY REPORT, and subsequent issues.

MOZAMBICAN DELEGATION ARRIVES FOR VISIT

Feted by Wei Jianxing

OW101251 Beijing XINHUA in English 1240 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- Wei Jianxing, head of the Organization Department of the Chinese Communist Party Central Committee, met and feted a delegation from the party of the Mozambique Liberation Front here this evening. Members of the delegation, led by Armando Emilio Guebuza, member of the Political Bureau of the Mozambique Party, arrived here yesterday and today at the invitation of the Chinese Communist Party.

Begins Talks

MB102037 Maputo in English to Southern Africa 1800 GMT 10 Mar 87

[Text] Frelimo Party Politburo member and Mozambique's transport and telecommunications minister, Armando Guebuza, is in China and has already begun official talks with the Chinese Communist Party officials. General Guebuza is in China to exchange views and experiences with the Chinese Communist Party leaders. In yesterday's talks, the Chinese party delegation was led by the party's director for external relations [title as heard], Jian Guanghua. Speaking in the opening of the talks, General Guebuza said that his delegation went to visit China with the aim to study the result of China's agriculture reforms adopted in 1979 and learn from the experiences of China in the development of small projects. He explained Mozambique's decision on the new economic recovery program. The two parties finally reaffirmed the importance of their cooperation in respect to the prevailing situation in southern Africa. General Guebuza will stay in China for 2 weeks.

JOINT TV ASSEMBLING VENTURE TO BEGIN WITH KENYA

OW071316 Beijing XINHUA in English 1217 GMT 7 Mar 87

[Text] Nairobi, March 7 (XINHUA) -- China and Kenya are to start a joint venture in Mombasa to assemble color tv sets, radio cassettes and other electronic products. This was disclosed by the visiting vice president of China's Shenzhen Electronics Group Tao Yannin in Mombasa, Kenya's second largest city, yesterday. Meeting with mayor of Mombasa Mwidani, Tao said the products would be sold locally and to other countries of the preferential trade area for eastern and southern Africa. The joint company would initially employ 250 local people, he said.

Tao said annual production value of the venture is estimated at 50 million shillings (about 3 million U.S. dollars).

He said the Shenzhen group will also open two shops in Kenya to sell products of the company exclusively. The Shenzhen group has some 130 enterprises in China with employees of 170,000. It has exported 18 million U.S. dollar worth of products to the United States and West European countries, Tao said. Chairman of the joint venture Shariff Nassir told the press in Mombasa later that Kenya would hold a controlling share of the business. Nassir is also Kenyan assistant minister for lands and settlement.

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C H I N A
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K 1

INDICATIONS SEEN OF SECOND DEVALUATION OF RENMINBI

WA121343 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 5 Mar 87 p 14

[Article by Peter Odrich]

[Excerpt] Numerous banks and trading companies in Hong Kong are expecting that the PRC, in the course of the next 6 to 8 months, will again devalue its currency, the Renminbi. In July of last year, Beijing devalued its currency by 15 percent. At that time, the intentions of the Chinese leadership were recognized fairly early. Supporting the possibility of a second devaluation is the fact that the black market exchange rate for the U.S. dollar has again risen substantially above the official rate. [passage omitted]

CIVIL AFFAIRS MINISTRY OFFICIAL ON DISASTER AID

OW111505 Beijing XINHUA in English 1444 GMT 11 Mar 87

[Text] Beijing, March 11 (XINHUA) -- China's Ministries of Civil Affairs and Finance have earmarked 450 million yuan (121.6 million U.S. dollars) to aid natural disaster victims.

In 1986, China was hit by continuous droughts and floods, Yao Shaoyu, an official of the Civil Affairs Ministry said, adding Henan, Shandong, Anhui, Zhejiang, Jiangxi, Hubei, Shaanxi and Shanxi Provinces and the Inner Mongolian Autonomous Region have been plagued by serious droughts since June 1986.

In Henan Province, grain output was reduced nearly 2.5 million tons in 1986, compared with 1985, the official said.

In the south, floods hit Guangdong and Yunnan Provinces and the Guangxi Zhuang Autonomous Region. Damaged fields nationwide totalled more than 46 million hectares, and 200 million people were affected.

"The funds will be distributed to all disaster areas," the official said, "with Henan Province alone receiving 38 million yuan (10.3 million U.S. dollars)."

"According to statistics, some of the victims are still able to develop production and raise their income," he said. "But in more seriously hit areas, 10 to 20 percent of the victims need food and medical supplies from the government."

During the winter of 1986, the central government already allocated 300 million yuan (81.1 million U.S. dollars) to subsidize clothing and housing for disaster victims.

It is learned that parts of Henan, Shaanxi, Gansu, Hebei and Sichuan Provinces are still suffering from drought.

MANUFACTURE OF NUCLEAR REACTOR IN FULL SWING

OW120830 Beijing XINHUA in English 0821 GMT 12 Mar 87

[Text] Shanghai, March 12 (XINHUA) -- Production is complete on two-thirds of the equipment to be installed in China's first 300,000-kilowatt nuclear reactor, an official in charge of the project told XINHUA today.

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K 2

CHINA
PRC NATIONAL AFFAIRS

By the end of early March, the manufacture of 31 pieces of equipment involving 306 parts will be completed for the project.

"To date, we have finished 70 percent of the reactor's internal fittings and 50 percent of its major components," one engineer said, adding the majority of the project's equipment will be delivered by the end of the year.

"Workers strictly observe safety regulations and quality control standards to ensure perfection in the manufacture and installation of equipment and in the plant's construction," the official said.

The state has invested 130 million yuan (35 million U.S. dollars) in auxiliary projects related to the country's nuclear power stations. Five workshops capable of hoisting equipment weighing 100 to 400 tons have been built, and an electro-slag furnace, the largest in the world, has turned out 30 steel ingots, each weighing over 100 tons.

"For the Qinshan Nuclear Power Plant in Zhejiang Province, 136 sets of equipment were domestically designed and produced, in addition to the four imported items," the official said.

ZHAO ZIYANG SUPPORTS REFORM OF RESEARCH SYSTEM

OW120157 Beijing XINHUA Domestic Service in Chinese 1311 GMT 11 Mar 87

[By JIEFANG RIBAO reporter Jia Baoliang and XINHUA reporter Meng Xiangji:]

[Text] Beijing, 11 Mar (XINHUA) — The Academy of Sciences of China recently decided to reform the old scientific research system by turning the six optical research institutes under the academy into an entity combining scientific research, production, and marketing, and taking the initiative to attract other relevant enterprises to jointly establish an optical and electronics group.

Premier Zhao Ziyang fully supported this reform.

The Academy of Sciences of China has a strong technical force in the field of optics. It has a total of six research institutes in this field — the Shanghai Research Institute for Technology and Physics, the Shanghai Research Institute of Optics and Mechanics, the Changchun Research Institute of Optics and Mechanics, the Xian Research Institute of Optics and Mechanics, the Anhui Research Institute of Optics and Mechanics, and the Chengdu Research Institute of Optics and Electronics, with nearly 10,000 workers and staff members, including more than 4,000 scientists and technicians. These research institutes have done a great deal of research work of an exploratory nature in the field of optics. Some of results in technical application and basic research have reached international standards. However, fettered by the outmoded system for conducting scientific research, scientific research work is divorced from production, while popularization of the results in scientific research is far from being ideal. As a result, research institutes are unable to bring their role into full play.

After becoming an entity combining scientific research with production and marketing, the six research institutes have maintained their operation as research institutes, keeping a small group of competent researchers to conduct basic research and keep pace with the developing high technology.

The optical and electronics group institutes a system under which the manager assumes full responsibility. Taking the market requirements into consideration, it is aimed at organizing commodity production. It is also under independent management. With an independent accounting system, it will gradually achieve the goal of assuming sole responsibility for its own profit or loss.

LI PENG GIVES VIEWS ON HUNAN POWER SHORTAGES

HK120117 Changsha Hunan Provincial Service in Mandarin 2300 GMT 11 Mar 87

[Text] Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, inspected the Yueyang Power Station and the expansion of the Yueyang Huaneng Power Station, a key project of the Seventh 5-Year Plan, on 9 and 10 March. He was accompanied by Governor Xiong Qingquan and Vice Governor Chen Bangzhu. Li Peng delivered four important views on the development of the power industry in Hunan.

1. Do everything possible to boost this industry. He said: Hunan's power industry has undergone great development in the more than 30 years since the liberation. The installed capacity now is over 3.4 million kilowatts. However, there is still a very serious power shortage. This has become a conspicuous weak link in economic development. It is now essential to change the investment structure and use the limited investment in sectors that yield the best economic results. We must concentrate forces to boost the power industry.

2. Vigorously develop thermal electric power. Hunan's current situation is that hydroelectricity predominates over thermal electricity. However, advantage cannot be taken of this strong point during the dry season. It is therefore essential to have rational proportions in the pattern of the power industry.

3. To boost the power industry, it is essential to practice the policy of reform, opening up, and invigoration. Reform means changing from having a monopoly in power production to having a variety of sectors producing it. Opening up means using foreign investment and equipment. Invigoration means that those who invest in and consume electricity benefit from it. We should raise capital through a variety of channels and set up stable funds for running the power industry.

4. We must give the power industry greater decisionmaking powers. He said: The power industry must uphold the principle of unified supply through the power grids and also confer still greater decisionmaking powers on the grids. The electric power industry should be treated as an enterprise, and it should be allowed the capacity for self-transformation and development.

Before arriving in Yueyang, Vice Premier Li Peng inspected some other key enterprises in Chenzhou Prefecture and Hengyang and Xiangtan Cities. He listened to reports delivered by the provincial party committee and government and gave important views on developing the iron and steel and electric power industries and the railroads.

Vice Premier Li Peng was accompanied to Hunan by Ministry of Railways Ding Guangen; Minister of Metallurgy Qi Yuanjing; Yao Zhenyan, deputy minister of water resources and electric power; and Huaneng Company General Manager (Wang Defang).

MORE RECOGNITION URGED FOR OUTSTANDING SCIENTISTS

OW101141 Beijing XINHUA in English 1047 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) — The Beijing-based China Association for Science and Technology has called for more publicity on the outstanding achievements of Chinese scientists.

In a written proposal at a recent meeting, the non-governmental organization has proposed future national recognition of China's late and contemporary outstanding scientists.

"Since ancient times, China has produced excellent scientists and inventors who made great contribution to the nation," the proposal says, "and their achievements are treasures not only for China, but for the whole world." The proposal complained that "we haven't given these important scientists and researchers sufficient publicity so all Chinese people can know more about them."

The proposal suggest erecting statues of these important figures on public squares and in parks, universities and scientific research institutes, and restoring or renovating their former residences as cultural sites. The proposal also suggests including more information in primary and secondary textbooks, establishing foundations in their names, writing biographies, films and television plays about them, holding more academic seminars on their works, publishing more books and magazines about them and issuing commemorative stamps.

The association named the following eight late scientists to be commemorated during the next few years:

- Geographer Xu Xiake and engineer Song Yingxing both whose 400th birthday is this year;
- Doctor and herb expert Li Shizhen, whose 470th birthday is next year;
- Astronomer Zhang Heng, whose 1,910th birthday is also next year;
- Mathematician Zu Chongzhi, whose 1,560th birthday is in 1989;
- Contemporary geologist Li Siguang, whose 100th birthday is also in 1989; and
- Chemist Hou Debang and meteorologist Zhu Kezhen whose 100th birthdays are in 1990.

FANG YI URGES SCIENTISTS TO FOCUS ON ECONOMY

OW101154 Beijing XINHUA in English 1057 GMT 10 Mar 87

["Fang Yi Asks Scientists To Focus on National Economy" — XINHUA headline]

[Text] Beijing, March 10 (XINHUA) — State Councillor Fang Yi said today that the development of China's economy requires a restructuring of the science and technology sectors.

At a conference of Chinese Academy of Sciences which opened today, Fang asked to spread scientific and technical assets to fields vital to the national economy. The academy should forge a strong relationship between scientific research and production and enable an exchange of talents, said Fang who is also a member of the Political Bureau of the Chinese Communist Party Central Committee.

The academy, Fang added, should set up a management system with ties to economic and social development and one that is better suited to making a contribution to economic construction and scientific research.

Fang required the academy to be farsighted while conducting basic research and exploiting sophisticated techniques and be scientifically and technologically prepared for China's economic leap forward by the next century. He hoped that the academy will make steady progress in basic research and keep up with the world advanced levels of science.

Chinese intellectuals shoulder a large responsibility in building China into a highly-developed and modern socialist power, he said.

REGULATIONS ON FOREIGN CURRENCY DEPOSITS EASED

OW101954 Beijing XINHUA in English 1442 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- Regulations have been further relaxed to encourage more foreign exchange deposits by residents within the territory of the People's Republic of China, according to the bank of China. An official from the bank said that foreign currency bank accounts, which could only be opened in Guangdong and Fujian Provinces previously, are now available at all branches of the Bank in China.

The minimum amount for opening a time deposit account has been lowered from 150 yuan to 50 yuan and the minimum for opening a current account is 20 yuan.

The bank deposit accounts may be opened in French francs, in addition to previously available U.S. dollars, British pound sterling, Japanese yen, Deutsche marks and Hong Kong dollars. Bank of China branches on Hainan Island handle deposits in Singapore dollars, and the branches in the city of Wenzhou in Zhejiang Province also handle deposits in the Netherlands' guilder, the official said.

NEW SYSTEM INSTITUTED FOR TAXING BONUSES

OW100954 Beijing XINHUA Domestic Service in Chinese 1207 GMT 9 Mar 87

[By reporter Zhuo Beirong]

[Text] Beijing, 9 Mar (XINHUA) -- Beginning January 1987, a new tax system for bonuses issued by scientific research units has been instituted in China so that the limits of tax exemption for bonuses will be closely linked to the reduction of funds appropriated as operating expenses in scientific research units. This is being done in order to help research units gradually become economically independent and self-sufficient.

The State Scientific and Technological Commission and the Ministry of Finance issued a joint circular not long ago stipulating the limits of tax exemption for bonuses issued by the various independent scientific research institutes. They decided to divide the bonus tax exemption into six grades based on how much the appropriations for operating expenses are reduced and based on what percentage of these operating expenses will be used as scientific development funds. The more the operating expenses for scientific research are reduced, the higher the limits of the tax exemption for bonuses will be. In any unit where the operating expenses for scientific research are reduced to zero, the limits of the tax exemption for bonuses will be an amount equivalent to 3 and 1/2 months' basic wages per person on the average. When the reduction is less than 10 percent, the limits of tax exemption for bonuses issued in the whole year will be an amount equivalent to 1 month's wages per person on average, except in cases where the Ministry of Finance and the General Taxation Bureau have offered other stipulations. In any unit where the reduction is higher than 10 percent and the unit still receives appropriations for operating expenses from the state, the limits of tax exemption for bonuses issued in the whole year will be equal to an amount on the order of 1.5, 2, 2.5, or 3 months' basic wages per person on the average. Those who issue bonuses above the limits must pay tax on the bonuses on a progressive basis.

This new system is aimed at further reforming the structure of science and technology. According to the overall plan made by the party Central Committee and the State Council on transforming the structure of science and technology, China's appropriation system for science and technology has undergone changes since last year. According to the plan, scientific research units for technological development should gradually institute a technical contract system. The state's operating expenses for conducting scientific research must be reduced each year. It is expected that such expenses will be reduced to zero during the "Seventh 5-Year Plan". Scientific research units for the study of basic sciences should gradually adopt science development fund systems. A part of the original operating expenses should be used as a science development fund. Scientific research units that promote public welfare in society should also use income from lateral economic cooperation with other units to defray some operating expenses. The investigations conducted by the State Scientific and Technological Commission and the Ministry of Finance over different types of scientific research units indicate that some new problems have cropped up due to the fact that some of the auxiliary policies in fund appropriation reform — such as the policies of bonuses, taxation, and income distribution — fail to keep pace with the reform. One of the problems is the lopsided phenomenon that the greater the reduction in operating expenses for scientific research, the smaller the unit's economic benefits will be. In this way, some of the units for technical development that have already achieved financial self-sufficiency request to take the beaten track of letting the state pay operating expenses. Other types of scientific research units that are capable of commercializing technological achievements or rapidly adopting the development fund system also lack incentive for further reforms. This new policy is one of the auxiliary policies aimed at tackling the issues.

It is understood that the state will work out some other auxiliary policies as soon as possible in order to quicken the pace of reforming the fund appropriating system for the promotion of science and technology; in order to arouse China's mighty contingent of scientists and technicians; and in order to send even more people to the major battlefield of economic construction.

RENMIN RIBAO DISCUSSES PROPER CONSUMPTION

HK101353 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 9 Mar 87 p 2

[Article by Lin Shushan (2651 2885 1472): "Also Talking About Correctly Guiding Consumption"]

[Text] For a period of time, the voice to disseminate "high consumption" was at a very high pitch. Amidst an atmosphere of "advocating consumption" and "encouraging consumption," some people went in for ostentation and extravagance, paraded their wealth in their daily life, and set a high standard of living regardless of whether or not their economic conditions permitted it. They required completely automatic washing machines, color television sets, refrigerators with many doors, and houses with many rooms. Some places and departments went in for large-scale construction, were keen on building high-standard guesthouses, amusement parks, and memorial halls, and took a great deal of money that had been set aside for production and construction, to spend on these projects.

Advocating that it is necessary to stimulate and promote production with "high consumption" is unsuitable to the conditions of our country, is of no use to the development of production, and greatly jeopardizes socialist modernization. This is prominently expressed in the economic sphere: 1) It affects the circulation of commodities. In advocating "high consumption," people's attention is drawn to high-grade commodities. When people reckon that certain kinds of high-grade commodities are in short supply, they concentrate a large amount of money on buying them, which may even lead to panic purchasing. In the market, on the one hand, low-grade commodities are kept in stock for a long time and are unmarketable; on the other hand, high-grade commodities are in short supply and a situation in which the supply of some commodities cannot meet the demand and the balance of supply and demand is lost may be artificially created. 2) It affects the circulation of money. The advocacy of "high consumption," results in people not saving their wages and income and even drawing large portions of their savings from banks to buy high-grade commodities, changing the ratio between consumption and savings deposits, causing an insufficient amount of credit funds for banks and a change in the structure, and reducing the sources of state construction funds. 3) It affects production. A big change in the circulation of commodities and the circulation of money causes a change in the production sphere, leading to a change in the scale and structure of and arrangements for the production of some products. For example, when color television sets are in short supply, some places will vie with each other in blindly producing color television sets, importing a large amount of equipment through many channels for the production of color television sets, wasting enormous sums for production and construction and seriously affecting the construction of state key projects.

In "The Report on the Seventh 5-Year Plan," Comrade Zhao Ziyang clearly pointed out: "Proceeding from the practical situation of our country and on the basis of the development of production, we must improve people's livelihood according to our capability.... If we take too big a step in our personal consumption, it will surely reduce the accumulations of funds, increase production costs, lower competitive power, and cause a lack of stamina for economic development. We can therefore only rely on striving to develop production but not on cutting down the necessary construction funds and using them to improve the people's standard of living. The speed of an increase in personal consumption cannot be higher than the speed of production development and the speed of an increase in workers' wages cannot exceed the speed of an increase in labor productivity. We must continuously carry forward the excellent traditions of plain living, hard struggle, and industriously and thriftily building our country." [paragraph continues]

While suitably determining the speed of an increase in personal consumption, we must also correctly guide people's consumption in a planned way so as to make the change in the structure of consumer demand conform to the realities of the social life of our country, to the conditions for resources, and to the characteristics of our nation. In our country, due to different modes of production on the basis of public ownership, different consumers have existed. For example, as the modes of production of workers and peasants are different, their patterns and targets of consumption are therefore different. Even among the peasants, a small number of 10,000-yuan households are only close to a "comfortable type" consumption level, the great majority of peasants are at a "sufficient clothing and food type" consumption level, and a small number of peasants have not solved their problems of clothing and food. We are now embarking on modernization in a big country whose population is large, whose foundation is weak, and whose economic development is very uneven and can only catch up with economically developed countries after long-term efforts.

We all know that a consumption level is restricted by an income level and that an income level is determined by a labor productivity level. The relationship among these three things is that one improves along with the improvement of the others. Our country is a developing country, and our labor productivity at the present stage is much lower than that of developed capitalist countries whose income and consumption are high.

Our country does not now implement a policy of high income and high consumption because our party has learned from historical experiences and lessons of some foreign developing countries and formulated a correct policy decision. Some developing countries deviated from their realities of the time and at a relatively low level of labor productivity raised their consumption level by a big margin. This resulted in an excessive inflation of their consumption funds, a discrepancy between the supply and demand of commodities, a shortage of goods in the market, and a rapid upswing in commodity prices. People were dissatisfied with their countries and social security and economic development were affected.

This phenomenon shows that the implementation of a policy of high consumption on the basis of low labor productivity will infringe not only upon people's long-term interests but also their immediate interests.

In short, it is essential to lead people to establish the idea of plain living, hard struggle, and industriously and thriftily building our country, to understand that our country is in the initial period of socialism, to work hard to enhance labor productivity, and to suitably guide the consumption level. At the same time, leadership departments at all levels must effectively publicize the principles and policies of the party, explain to the masses the problems of carrying out all reforms, particularly the sensitive problem of reform of prices, patiently and meticulously carry out propaganda and explanations to the masses, promptly relieve people from misgivings, and guide consumption to develop in a rational direction.

BEIJING FORUM ON ENTERPRISE REFORM 'ANIMATED'

OW100928 Beijing Domestic Service in Mandarin 2230 GMT 9 Mar 87

[Text] More than 200 plant directors and managers, specialists, and scholars from across China held a 3-day forum in Beijing from 7 March with discussions and speeches on the question of how to deepen enterprise reform. This was the first time opinions and experiences about reform have been exchanged in this way in China.

The forum was sponsored by the China Enterprise Management Association and other units. One experience shared by all of these entrepreneurs tells them that it is necessary to change operational style and separate operational rights from ownership in order to invigorate enterprises. Another topic of heated discussion at the forum was reforming the distribution system within enterprises. All participants in the forum held that this is a key area for attention in deepening the reforms of the enterprises themselves. Individual plant directors also criticized the practice of new egalitarianism resulting from unthorough reforms in the recent 2 years. They suggested that macroeconomic reform of the enterprises' distribution system should be carried out in coordination with microeconomic reform of this system in order to create a good outside environment for enlivening the enterprises.

The animated forum was held in a harmonious atmosphere. There were frequent clashes between differing viewpoints. [as heard] The specialists feel that the forum was proof that China's practice of reforms in the past 8 years has produced a large number of socialist entrepreneurs who are familiar with policies, who are good at running their businesses, and who are learned and knowledgeable.

This station will broadcast some of the recorded speeches by the plant directors and managers in the near future.

ECONOMIC OFFICIAL VIEWS INVIGORATING ENTERPRISES

OW101332 Beijing XINHUA in English 1258 GMT 10 Mar 87

[Text] Beijing, March 10 (XINHUA) -- The reform of Chinese enterprises is designed to "consolidate and develop the socialist system" and promote social productive forces, a senior Chinese official said here today.

A leading official of the State Economic Commission, the country's top economic management body, pointed out that the lack of vigor on the part of businesses is due primarily to the drawbacks of the old economic management system and has nothing to do with the socialist system. "All our reforms serve to demonstrate the self-improvement and self-development of the socialist system," he said, noting that all reform measures must focus on pepping up enterprises.

He also called for work in real earnest to ensure that invigorating enterprises will be the "central link" in the ongoing reform of China's economic structure. He stressed the importance of carrying out a series of measures formulated by the State Council, China's highest governing body, on injecting vitality into enterprises.

Provided that socialist public ownership holds a dominant position in China, he went on, it is imperative to "separate enterprise ownership from their management power" to make them independent economic entities.

The official called for experiments to find other effective ways, in addition to the practice of tax payment to replace profit delivery to the state, of pepping up major enterprises, particularly those badly needing technological upgrading. He also stressed the importance of improving the enterprise leadership system and the initiative-based responsibility system within enterprises as part of the country's ongoing invigoration program.

RENMIN RIBAO COMMENTATOR ON ENTERPRISE OPERATIONS

HK050115 Beijing RENMIN RIBAO in Chinese 1 Mar 87 p 1

[Commentator's article: "Improving the Operation Mechanism Is the Key To Enlivening the Enterprise"]

[Text] In our country's economic life, the question of enterprise operation mechanism is now drawing more and more attention from the people.

A lot of facts like the following one have made people think.

Since implementing the contract or leasing system, some enterprises which had problems in the past, including the low-profit enterprises and the long-time losing enterprises, have taken on a new look and turned losses and failures into profits and successes. During the process, the enterprises' external conditions and market environment have remained almost the same. What is the reason for this?

Let us also look at those contractors and operators of the enterprises. Many of them are competent people. However, as far as their overall quality is concerned, some are not in any way superior to their predecessors, and some of them are former factory directors. Once their operation methods are changed, their competence was immediately displayed, as if they were not themselves. Again, what is the reason behind this?

Now, let us look at the topic which people have often discussed over the past few years: Household enterprises have been operated more flexibly than collective enterprises while collective enterprises have been operated more flexibly than the enterprises under the system of ownership by the whole people. In terms of the administrative standard and management ability of the leaders of the three types of enterprises respectively, generally speaking, the administrative standard and management ability of the leaders of the enterprises under the system of ownership by the whole people are higher and stronger than those of the leaders of the collective enterprises while the administrative standard and management ability of the leaders of the collective enterprises are higher and stronger than those of the leaders of the household enterprises. Again, what is the reason behind this?

Now, the answers to these questions are clear to all: The operation mechanisms of the enterprises have been playing a key role. Once the operation mechanisms of the enterprises are perfected, the enterprises concerned will immediately become vigorous.

That the enterprises lack vitality has been caused by the old economic management system and has not been in any way linked with the system of the socialist public ownership. The purpose of our carrying out the reform and strengthening the vitality of the enterprises is not to change the socialist public ownership but to reform the old management structure, one of the main contents of which is to improve the operation mechanisms of the enterprises. As far as the situation in the rural areas is concerned, the implementation of the system of contracted responsibilities with payment linked to output by adhering to the land public ownership system has enabled the broad masses of the peasants to have real decisionmaking power in the operation of their enterprises so as to have greatly developed the agricultural economy. For the same reason, in order to invigorate the urban economy, the key lies in each enterprise finding an operation method which is comfortable to its realistic situation and a way to improve its operation mechanism.

What kind of operation mechanism is a better operation mechanism? The basic orientation of our reform of the economic structure is to develop the socialist commodity economy. So, only an operation mechanism which can enable enterprises to really become the commodity producers and operators is acceptable to us. Macroscopically speaking, such an operation mechanism should be capable of further increasing the economic results and social benefits of the enterprises and conducive to realizing the unity between the state, the enterprises, and the staff and workers. Microscopically speaking, such an operation mechanism should be capable of really unifying the power, the responsibility, and the interests of the operators of the enterprises so as to implement them together.

Improving the operation mechanisms of the enterprises is a very complicated task. Our country is a big one. The situation differs greatly from region to region, trade to trade, and enterprise to enterprise. Especially, at present, when the price system has not yet been smoothed out, and the enterprises' capabilities to compete on the market differ greatly, when implementing the system of contracted responsibilities with payment linked to output according to the principle of separating ownership from management power, it is necessary to take into consideration the actual situation, do more painstaking and detailed work, and carry out more concrete analyses. Only the "separation of ownership from management power, and the adoption of varied forms" are the correct building principle.

We must continue to explore and improve the operation mechanisms of the enterprises through the implementation of the various types of contracted responsibility systems for operation so as to find a way which can effectively arouse the enthusiasm of the operators and staff and workers of enterprises and tap the great potential of the enterprises. If we really find such a way, the situation of the urban economic reform like that of the rural economic reform, will surely become unprecedentedly good.

COMMENTATOR URGES EDUCATION IN ENTERPRISES

HK060217 Beijing JINGJI RIBAO in Chinese 25 Feb 87 p 1

[Commentator's article: "Conduct in Enterprises Education on Upholding the Four Cardinal Principles by Positive Example"]

[Text] The aim of conducting education in enterprises on upholding the four cardinal principles by positive example is, fundamentally speaking, to enhance the political consciousness of the vast numbers of party members, cadres, staff members and workers in enterprises and their willingness to resist the ideological trend of bourgeois liberalization. The focus is to educate the vast numbers of party members, cadres, staff members and workers on upholding the party line, principles, and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee and on building socialism with Chinese characteristics to enable them to gain a clear understanding of the interrelation of upholding the four cardinal principles and adhering to reform, opening up, and economic invigoration and to acquire greater immunity against the influence of the ideological trend of bourgeois liberalization. This year enterprises should conduct their education in such fields as lofty ideals and discipline, the current situation and policies, professional ethics, the legal system, and the spirit of working hard and building the country industriously and thriftily, closely in line with the positive education on upholding the four cardinal principles.

In carrying out education on upholding the four cardinal principles by positive example, all enterprises should mainly adopt the methods of study and discussion as well as persuasion and guidance by positive example. They should make good use of the great successes achieved over the last few years in our construction and reform and the personal experiences in educating the masses to make the education more appealing and convincing. In conducting positive education, it is necessary to earnestly stress policy demarcation lines. Bourgeois liberalization has specific meanings. We should not oppose things that do not fall into the category of bourgeois liberalization, much less relate the problems existing among a small number of employees, such as discipline violations or their hobbies in daily life, to bourgeois liberalization.

How party committees in enterprises can strengthen leadership over ideological and political matters and improve ideological and political work is an important issue which warrants an urgent solution. We must soberly notice that the vast numbers of party members, cadres, and staff members and workers of our enterprises are politically and ideologically sound, but the influence of the ideas for bourgeois liberalization in enterprises, particularly among a small number of young employees, has not yet been eradicated. Moreover, there are still some unhealthy tendencies in the party and bureaucratic practices in our work. All these have an adverse effect on the employees; thinking and sentiments. Hence, there are some factors detrimental to political stability in the enterprises. Therefore, at no time must we weaken and relax our efforts in the ideological and political work of enterprises. Party committees in all enterprises should work hard to improve their work style and methods; carry out more ideological exchanges with their employees; conduct ideological education hand in hand with improving work, overcoming shortcomings and mistakes in work, taking care of the well-being of the employees, and solving practical problems; eliminate any factor detrimental to political stability; and promote the enterprises' stability and unity.

BAN YUE TAN ON ECONOMIC MANAGEMENT ORGAN REFORM

HK110731 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 87 pp 10-11

[Article by Li Anding (2621 1344 1353); "Important Reform of Economic Management Organs"]

[Text] At the outset of the new year, the wheel of reform is continuously and smoothly turning. In the system of the State Council, the organization and establishment of a new department -- the State Commission for Machine-building Industry -- is being stepped up. It is an important reform of economic management organs of our country and an inevitable requirement for the development of reform of the economic structure to abolish the Ministry of Machine-building Industry and the Ministry of Ordnance Industry and to organize and establish the State Commission for Machine-building Industry.

Reform of the economic structure, with cities as the center, began with the expansion of enterprises' decisionmaking power and the strengthening of their vitality. Over the past few years, practice has proved that strengthening the vitality of enterprises requires that the government's economic management departments should alter their functions, change stress on direct control to stress on indirect control, and establish a new macro management system. Otherwise, all regulations on expanding enterprises' decisionmaking power cannot be enforced.

The fixed assets, annual gross output value, profits and taxes submitted to the state by all machinery and weapon enterprises throughout our country account for about one-fourth of those of all industrial departments. [paragraph continues]

However, two big malpractices have existed in the machine-building industry management system for a long period of time: 1) The duties of the government and enterprises have not been separated and power has been overconcentrated, which have seriously affected enterprises' enthusiasm for independent operation; and 2) many industrial departments which use machinery manufacturing industry, resulting in multidepartment and multilayer management, barriers between higher and lower levels and between different departments or regions, separating the war industry from civilian industry, establishing their own systems, and closing themselves to others. The consequences are that machinery and equipment run low in one place while same machinery is repeatedly made and some equipment is repeatedly imported in another place. The aim of organizing and establishing the State Commission for Machine-Building Industry is to control the system of machinery for civilian use and the system of the weapon industry throughout our country, to do overall planning for the machinery trade of our whole country, and to solve the problems of carving up our machinery manufacturing system by departments, of being large and all inclusive, and of being small but all inclusive.

This "control" has a brand-new implication. Zou Jiahua (6760 1362 5478), minister of the State Commission for Machine-Building Industry, said that as a trade management and macro control department, the main task of the State Commission for Machine-Building Industry was "to control the target" but not "to control the process." He quoted Comrade Deng Xiaoping's words: "Our leadership organs at all levels have tended many things which they should not tend, have not tended well, and cannot tend." In the past, we used to grasp micro control. It seemed that we had nothing to do if we did not tend enterprises. The aim of this reform is to change the management mode and method to which we have been accustomed for the past several decades. We shall no longer directly tend the people, finances, and materials of each enterprise but rely on policies and legal and economic measures to strengthen macro control and regulation of the whole trade so as to realize the planned target and policy target. In the course of reform, the State Commission for Machine-Building Industry must, on the one hand, make overall planning for the whole trade and on the other hand, under the guidance of unified planning and policies, bring enterprises' enthusiasm into full play, and give play to the enthusiasm of localities and departments using machinery.

The establishment of the internal organs of the new State Commission for Machine-Building Industry has embodied the principle of streamlining, unification, and high efficiency. At present, the State Commission for Machine-Building Industry has completed its work of employing its working personnel. The 3,700 people of the two ministries in the past have been reduced to 1,000 people of the regular organs and 300 people of the interim organs, totaling 1,300 people. Of the people reduced, some are retirees and a fairly large number of people have been transferred to scientific research organs, grass-roots companies and enterprises, and other units.

According to the requirements for fulfilling the new functions, the new organ roughly consists of several parts: 1) Organs mainly responsible for the trade management function, such as the department of policies and regulations which, it can be said, is brand-new; 2) organs responsible for the party affairs and administrative work within the new organ; 3) management organ tending all trades of machinery for civilian use; and 4) organ tending the war industry. These organs are all comprehensive functional departments or trade functional departments and will no longer directly manage enterprises.

The newly organized and established State Commission for Machine-Building Industry will officially begin work in the last 10 days of February. We believe that this important reform will surely invigorate the machine-building industry of our country and contribute toward the establishment of a new system of linking scientific research with production, linking the war industry with civilian industry, and linking the peacetime work with wartime work.

JINGJI RIBAO VIEWS FEASIBILITY OF 5-DAY WORK WEEK

HK120735 Beijing JINGJI RIBAO in Chinese 1 Mar 87 p 2

[Article by Yu Weiqun (0060 3634 5028) and Li Xinguo (2621 2450 0948): "Is it Feasible To Implement the 5-Day Work Week?"]

[Text] Instituting a "5-day work week" is a completely new question regarding China's existing labor system. Is it feasible to implement the "5-day work week" in our country? In this article we shall try to demonstrate this issue for the reference of the relevant departments in their decisionmaking.

I. The Significance of Implementing the "5-Day Work Week" [subhead]

1. If, instead of working 6 days a week, we work 5 days without reducing the quantity and quality of our work for that week, that is to say, if we can do more work in less time, this undoubtedly would mean that we have raised labor productivity. Moreover, by quickening the work pace, people will strengthen their sense of urgency in work. This can help overcome the problem of laxity that exists in many enterprises.

2. It can help improve the utilization ratio of mechanized equipment and energy. A common failing in China's industrial circles at the present stage is the low utilization ratio of mechanized equipment and energy, resulting in great waste. It often happens that mechanized equipment has an insufficient workload or runs without any purpose. This is not only subjects our mechanized equipment to pointless abrasion, but also wastes a large amount of valuable energy, thus aggravating the strains on energy. If we can reduce abrasion and consumption by 1 day every week and make the equipment produce in 5 days, by operating at full capacity, the product quantity and quality that would have been finished in 6 days, does this not represent the strictest economy?

3. It helps adjust the industrial structure and promote the tremendous development of tertiary industry. The development of tertiary industry is an important indication of the development of social productive forces. It is also an important factor in further raising the level of productive forces. Vigorously developing tertiary industry is the objective need to speed up our country's economic development. In 1980, the proportion of employees working in tertiary industry of such industrialized countries as the United States and Japan was at the high level of 75.4 percent and 59 percent respectively. After adjusting the industrial structure for several years, the proportion of Chinese employees working in tertiary industry reached only 14.4 percent in 1984. If we implement the "5-day work week," the employees will have more spare time and their demands for tertiary industry will be higher. This will create a more favorable social environment for the development of tertiary industry and promote the great development of tertiary industry.

4. It can help increase the time in which the employees can study culture and engage in recreational activities. The intensive work of our employees makes it difficult for them to find the time to study culture or engage in recreational activities. If they want to take part in these activities, they can only squeeze the "time that should have been used to restore their mental and physical power." Moreover, there is a contradiction between the cultural level of our employees and modern production and management. This makes it necessary and also imperative to consider reaching the work time of laborers and to appropriately increase their study and recreational time so that they can improve labor efficiency by raising their cultural level.

II. The Practical Feasibility of Implementing the "5-Day Work Week" [subhead]

1. With many departments having more hands but fewer tasks, the phenomenon of units "exceeding the authorized size" is fairly widespread. The phenomenon of having more hands than needed exists in varying degrees in many enterprises and units, resulting in "3 days' work to be completed in 5 and one man's work to be completed by two." Of course, this has something to do with the work attitude of the employees. What is more important is that we have "more hands but less work." This state of affairs has fettered people's ideas and actions and blunted people's sense of time and efficiency. We can thus see that reducing workdays will not reduce the fulfillment of work tasks but will arouse the initiative of workers and thus attain more success in limited time.

2. People's level of consciousness and pursuit of knowledge do not necessarily mean that work will restrict people's behavior. In the past, whenever we considered the question of reducing work hours, we would think that it would bring a lot of pressure to society and that, free from the restriction of a "cage," people would idle about, which would be detrimental to social stability. It now seems that this misgiving is quite unnecessary. People, especially most youths, thirst for knowledge. They urgently hope to have more time to study and to carry out some useful activities. The instability caused to society by a very small handful of people does not always occur after work hours. Therefore, viewed from the angle of the society, the "5-day work week" is also feasible.

3. Improved efficiency can promote quantitative growth. The principle of economics tells us: If the level of improved efficiency exceeds the loss caused by reduced time, it will promote quantitative growth and quality improvement. The policy of invigorating the domestic economy and opening up to the outside world carried out in recent years has, to a certain extent, strengthened people's sense of efficiency and constantly quickened the rhythm of life, thus initially providing the subjective conditions for implementing the "5-day work week."

III. Problems That Should Be Solved in Implementing the "5-Day Work Week" [subhead]

1. It is necessary to redetermine labor quotas and institute a necessary attendance record system. Labor quota is a yardstick to gauge one's job performance. The total amount of the new labor quotas should be increased but not reduced. If the laborers cannot fulfill their labor quotas, it means that we have not been provided with the practical conditions to reduce workdays.

2. It is necessary to provide people with a broad space to carry out activities. The various social departments should do a good job of public undertakings to diversify people's life in their spare time. [paragraph continues]

It is particularly necessary to vigorously hold various useful activities, such as holding examinations for those studying on their own, running training classes for workers and staff members, and launching cultural, recreational, sports, and physical training activities. We can also set up such tertiary industries as providing social consultant and labor services. These are the growing demands of the Chinese people.

3. It is necessary to fundamentally solve the problem of "everybody eating from the same big pot." Some enterprises have not solved this problem. In our view, this is the greatest obstacle to the implementation of the new work system. For this reason, on the one hand, it is necessary for the state and enterprises to establish the necessary laws, rules, or regulations to restrict this practice; on the other hand, it is necessary to continue reforming and to solve the question of "responsibility, authority, and benefit" so that the job performance of each person can genuinely be linked with his personal interest.

XINHUA REVIEWS WOMEN'S ROLE IN CHINESE ECONOMY

OWOB1032 Beijing XINHUA in English 0905 GMT 8 Mar 87

[Text] Beijing, March 8 (XINHUA) — Just as China's economic reform attracts worldwide attention, so does the tremendous role of Chinese women in this unprecedented reform.

More Room for Displaying Talents

The sweeping economic reform that began in 1979 in China has brought about prosperity to all trades and services in the society and this has provided full employment opportunities for women to display their talents.

In the rural areas, of the 400 million women, more than 150 million are working, about 50 percent of the total rural labor force.

As the development of a diversified economy has freed more and more manpower from farmwork to take on other businesses, the family planning is extensively practised and housework has been gradually socialized, more and more women have been helped to step out of their homes and move away from their earlier conservative, obedient and poorly educated state to undertake a wide range of professions, including animal breeding, weaving, embroidery and tailoring.

In suburban Wenzhou, Zhejiang Province, where the commodity economy is developed, 840,000 of the 1.05 million rural women are engaged in commodity production and the service trade. Women marketing agents there are well known nationwide.

In northeast China's Jilin Province, more than three million women were reported to have engaged in industrial and sideline production.

In urban areas, the service trade, which had always developed slowly over the previous three decades, has found a renewed vigor as a vast number of women have entered the trade, easing the chronic shortage of shop assistants, tailors and nurses.

Talented Women to the Fore

Rural reform has made it possible for women to bring their talents into play.

Pan Zhiqiao, a woman, in rural Wenzhou is one. She opened a plastic weaving factory and made more than 500 women prosperous. Her factory turned out 800,000 yuan worth of products in 1987 and handed over to the state a profit of 40,000 yuan.

Ma Jinrong, 35, from Dongdou Village in Lingxian County, Shandong Province, organized villagers to build a 17 kilometer canal to divert river water to irrigate the alkaline fields after she was elected secretary of the village's party branch. In 1982, grain production increased greatly and the villagers' income rose. Then, Ma started a grain processing factory in the village to replace manual-operated grinding stones with machines. She also established a kindergarten in order to ease the mothers' workload and to give children a good education. After that, Ma organized these women to produce wire and other sidelines for more income.

Huo Jianping, one of the ten prominent young entrepreneurs named by the State Economic Commission, took up the post as the director of the Shanghai Plaiting Art Factory at 28. She vigorously carried out reforms and boldly developed new products and in just two years saved the factory from bankruptcy and began to export its products.

More and more women have entered into the high intellectual posts. According to incomplete figures, there are now more than 80,000 women teachers in institutes of higher learning, 50,000 intermediate and senior women doctors and nearly 6,000 women jurists, and nearly 10,000 women holding senior academic titles.

New Social Trends

Challenged by the economic development, women in China have realized that knowledge brings greater productivity and profits and therefore they have developed a strong urge to seek for knowledge.

Every day, young women workers would step out of their factory gates into technical schools, training classes, TV schools and correspondence schools.

In the northernmost province of Heilongjiang, more than 3,000 women are attending the Central Agricultural Broadcast School and various training classes and 1,200 women persist in going to evening schools.

In Yushu County, northeast China's Jilin Province, more than 470,000 women studying agricultural techniques from broadcasts.

This has resulted in a huge number of specialized households. A survey by the All-China Women's Federation revealed that specialized households operated by rural women accounted for 35 to 40 percent of all such households in the countryside. The figure goes up to 55 percent in more developed areas. These women create 60 percent of the total value of commodities produced and the figure is higher in the more developed areas.

Looking for a Richer Life

Rural women with more disposable income are not content with a humdrum life of working, eating and sleeping. They have developed a sense of style, have their hair done, and wear fashionable garments.

Villagers in Shandong Province have established 28,000 women's activity centers and evening schools in the last few years. Almost 80 percent of the villages in Lanxi County have some centers of their own. These centers and schools have classrooms and activity rooms and full-time and part-time teachers. About 130,000 women study there to learn about child care, women and children's health, family education, cooking, sewing, interior design and literature and art. General knowledge competitions, literary performances and sports are very popular.

The new developments in China's women's movement have testified to the truth pointed out by Marx when he said that without the ferment of women, there would be no great social changes. China's economic reform has provided more opportunities and conditions for women to further liberate themselves and the active participation of women has made the reform even more splendid.

MAJOR ECONOMIC CRIMES MORE THAN DOUBLE IN 1986

OW051214 Beijing XINHUA in English 1200 GMT 5 Mar 87

[Text] Beijing, March 5 (XINHUA) -- About 50,000 economic crimes were handled by the Chinese people's procuratorates at various levels in 1986, of which 13,000 were major cases involving at least 1,000 yuan each, more than double the figure for the previous year.

Nearly 90 percent of the cases have been investigated and prosecuted to the people's courts, which helped save 800 million yuan in direct economic losses, according to a National Attorneys Conference here today.

The crackdown on economic crimes has helped to guarantee the smooth advance of the ongoing economic reform and the socialist modernization of the country as a whole, a senior attorney from the Supreme People's Procuratorate told XINHUA.

Attorney in Hubei, Jiangsu and six other provinces helped more than 1,300 enterprises recover large amounts of money.

Both attorneys and police are authorized to handle economic crimes. But attorneys mainly handle crimes committed by party and government institutions, enterprises, social groups and other legal persons, as well as offenses committed by state functionaries who take advantage of their posts to engage in speculation and swindling.

Many of the economic crimes are major swindling cases. More than 7,300 such cases were handled in 1986, each involving 90,000 yuan.

One of the characteristics is that more and more such cases are being committed by party and government institutions, enterprises, social groups and other legal persons. Economic crimes committed by state functionaries or implicating them are also on the rise, the senior attorney said.

Chinese procuratorates at various levels should fully exercise their right to supervise the performance of the party and the local governments in line with the Constitution and other relevant laws, he stated, adding that "much greater attention should be paid to combating economic crimes committed by legal persons."

Most of the 130 senior civil and military attorneys from across the country held that procuratorial work has played an important role in combatting criminal offenses while taking the struggle against economic crime as their chief task. "A large number of criminal offenders were arrested and prosecuted in the past three years or so," the senior attorney said, without giving a specific number.

However, he noted, the crime rate in big and medium-sized cities, and in cities and towns along railway lines is still "comparatively high".

RENMIN RIBAO COMMENTATOR ON TOWNSHIP INDUSTRIES

HK060617 Beijing RENMIN RIBAO in Chinese 2 Mar 87 p 2

[Commentator's article: "Looking Inward"]

[Text] In 1986 the economic results of town and township enterprises dropped, and a comparatively universal problem was the expansion in the size of deficits. This has demonstrated that town and township enterprises in China are facing a new challenge.

Why should such a problem have emerged? This is worthy of our earnest study. Regarding the external conditions, the shortage and rise in prices of energy resources and raw materials, the insufficient supply of credit loans, and the strengthening of the competitive capability of large industry after invigoration have all brought new pressure on town and township enterprises and resulted in declines in production and increases in expenditures in a considerable portion of enterprises. Regarding the town and township enterprises themselves, the chief cause might have been their "congenital deficiency" -- the irrationality of the trade structure, the poor overall quality, and their weak capability for renovation and transformation. Comparatively weak substantial strength and great changes in the external conditions might have been the cause for the drop in the economic results of town and township enterprises.

Giving active support to the development of town and township enterprises is a settled and unshakable principle. The state will continue to create good external conditions for the health development of town and township enterprises. However, the improvement of external conditions can only be gradual and cannot be completely changed immediately. Therefore, to further develop town and township enterprises, we shall have to turn our eyes inward and to work more on improving our own qualities.

Two specific measures for improving the internal qualities of enterprises are, first, carrying out reform in depth, and second, strengthening technical transformation. Much can be accomplished in these two respects. It is necessary to point out here that some comrades are comparatively clear about the technological backwardness of town and township enterprises and are willing to exert their efforts in this respect; however, they lack enough understanding concerning the need for town and township enterprises to conduct reform in depth in order to invigorate their vitality. They always believe that town and township enterprises are at any rate, more lively than large and medium enterprises in urban areas. But this is not always the case. True, strong vitality is an advantage of town and township enterprises at present. With the development of urban reform, the momentum of large and medium enterprises in invigorating themselves is rather obvious and will continue to develop. We should see that bad practices still exist in the managerial structure of a considerable portion of rural collective enterprises and they have not been entirely opened up. [paragraph continues]

Some people have criticized those enterprises as being "of ownership by the whole people in disguise" and "eating from the same big pot in disguise." Therefore, the voices of some factory directors demanding a "loosening of the rope" are louder and louder with each passing day. If the reform of town and township enterprises should remain at the original level, it would lag behind the reform of urban enterprises and they would be bogged down in a passive position in competition.

The turning of their eyes from outward to inward is a big change for town and township enterprises. Realizing this change will involve comprehensive measures in policies, regulations, and financial and material sources. Macroscopically, it is necessary to readjust policies for town and township enterprises, to improve the trade structure, and to reform the managerial system. Microscopically, it is necessary to complete and perfect the contract system, to expand the decisionmaking power of enterprises, to break away from egalitarian trends in distribution, and to genuinely set up the unified relationship between responsibility, power, and interests among managers, workers, and staff. Besides, it is necessary to continue to implement the principle of "making standard, technical know-how, and management" come up to the mark. Looking at the situation in southern Jiangsu, those enterprises which have taken the lead in focusing their efforts on their internal reform and transformation have already stood the challenge of the drop in economic results in 1986 and held their ground, and a rising momentum has emerged.

It is our hope that more town and township enterprises will take this road.

OIL MINISTRY OPTIMISTIC ABOUT MEETING 1987 TARGET

OW271314 Beijing XINHUA in English 1159 GMT 27 Feb 87

[Text] Beijing, February 27 (XINHUA) — China's oilfields pumped 79.1 million bbls of crude oil in January, 5.3 percent more than in the same months last year, CHINA DAILY reports today.

The English newspaper quoted as spokesman for the Ministry of Petroleum Industry as saying this has made the ministry optimistic about over-fulfilling this year's state target of 931 million bbls.

The ministry has decided to strive to produce seven million bbls more than the state quota through increasing production while practising economy and without breaking the state-fixed capital construction scale, he said.

The ministry also planned to increase the daily supply of natural gas to Beijing to 400,000 cubic meters and that to Tianjin to more than 400,000 cubic meters by the end of this year. It required Zhongyuan Oilfield to complete a pipe project on schedule and regularly provide natural gas to Cangzhou City in Hebei Province this year, he said.

"The industry is facing two serious problems this year," the spokesman said. "The state needs more oil for ever-expanding agricultural and industrial production. At the same time, funds needed by the oilfields for capital construction are in short supply because of the low oil prices on world markets."

So the ministry decided to rely on advances in science and technology and better management to further tap the industry's potential. In this way, it hoped to maintain steady growth in the outputs of crude oil and natural gas, he said.

To help develop the economy in the former revolutionary base areas of the Communist Party and the party-led armies, areas where ethnic minorities live, frontier and poor areas, the ministry had decided to quicken the exploration of oil and natural gas resources, he said.

An oilfield in the Zepu area of the southern Xinjiang Uygur Autonomous Region is under construction. By the end of this year, an oil refinery and a natural gas liquefaction plant will be completed. By 1989, a synthetic ammonia plant will be put into operation. In the next two years, the infrastructure including an oil-transport pipe for an oilfield in the western Qaidam Basin of Qinghai Province will be completed. By 1990, the Golmud Oil Refinery will be put into operation.

During the Seventh Five-Year Plan period (1986-90), the ministry will also quicken the construction of oilfields in the erlian area of Inner Mongolia Autonomous Region, Baise in Guangxi Zihuang Autonomous Region and Ansai in Shaanxi Province.

Last year, China produced 910 million bbls of crude oil, 39.9 million bbls more than in 1985. The growth rate was 150 percent of the average annual growth rate for the Sixth Five-Year Plan (1981-85), the spokesman said. The country also produced 13.4 billion cubic meters of natural gas, 600 million cubic meters more than in 1985.

MING PAO CITES DENG ON GROWING MORE GRAIN

HK120807 Hong Kong MING PAO in Chinese 12 Mar 87 p 5

["Special dispatch from Beijing" by reporter Chiu Chun (4428 0689): "Spring Drought Is Ravaging China; Deng Xiaoping Stresses Grasping Grain Production and the State Council Increases Grain Purchasing Prices"]

[Text] It is a foregone conclusion that China is parched with drought in the spring of this year. Major wheat-producing areas in north China and the eastern part of northwest China are particularly afflicted with a severe drought, while the drought is also developing in some areas of south China. This was disclosed by an official of the leading group for fighting drought under the State Council. He also said: Of late, the State Council has repeatedly received emergency telephone calls from provinces and cities, reporting damage to crops by drought and asking for materials and money for fighting spring drought.

It has been learned that during the autumn sowing season of last year, sowing time was postponed in some areas due to light rainfall and the fields in some areas were even not sown because of spring drought. At present the situation of winter wheat seedlings as a whole is not encouraging. At the beginning of this year, there was rain and snow in many areas, but this did not change the situation of severe drought because the total precipitation was low. Viewed from the situation in Hebei, Shanxi, Shandong, Henan, Gansu, Shaanxi, and Ningxia alone, the drought-afflicted area reached 150 million mu, including over 74 million mu of land sown with overwintering crops.

It is said that the State Council has called on all localities to keep close watch on the development of the drought, not to slacken their vigilance, and not to take a wait-and-see attitude, but be based on self-reliance, prepare materials and money for fighting drought at an early date, and adopt effective measures to reduce the losses incurred by the drought to a minimum.

Speaking on China's economic work recently, CPC policy maker Deng Xiaoping pointed out that grain production is a major problem in agriculture and is one of the major problems that will affect our future economic development.

Deng Xiaoping said: "If there is any setback in agricultural production, it can hardly regain its strength within 3 to 5 years. The 12th national congress of the CPC defines that the total annual grain output will reach 960 billion jin in 2000. If based on a 1.2 billion population, each person will then be able to consume 800 jin of grain. There are still 16 years left from 1985 to 2000. To achieve the goal of 960 billion jin of grain in 2000, we should increase grain by 10 billion jin every year. However, we now do not have sufficient grain to breed pigs, and grain production is increasing very slowly. An expert has said that China's agriculture will enter a new period of fluctuation because of less investment in field capital construction and regressive level of agricultural production. This problem is worth our attention. Agriculture should be put in a proper place in our macroeconomic control and the general objective should strive for an annual total output of 960 billion jin at the end of the century. We should do our best not to import a huge quantity of grain several years later. If so, the speed of our economic development will be curbed."

As instructed by Deng Xiaoping, the State Council has decided to raise purchasing prices of five kinds of major farm products such as maize and rice which have been frozen since 1978 in a bid to spark the enthusiasm of peasants in grain production. Irrespective of financial difficulties and energy strains, the state's investment in field capital construction and water conservancy projects this year will increase by 40 percent over last year and the supply of chemical fertilizer and diesel oil for farm production by 15 percent. At the same time, strict control will be exercised over use of cultivated land for nonproductive purpose.

RENMIN RIBAO COMMENTS ON RESOLVING GRAIN PROBLEM

HK110713 Beijing RENMIN RIBAO in Chinese 27 Feb 87 p 5

[Article by Ding Shengjun (0002 5116 0193): "In Resolving the Grain Problem, Find a Foothold at Home"]

[Text] How should China's grain problem be resolved? Should we rely on the overseas market? The answer is no. A country that depends on the overseas grain market for grain supply must fulfill at least the following three basic requirements: First, the importer country must have a bountiful reserve of foreign exchange; second, it must be assured that the exporter country has a stable and ample supply of grain; and third, the importer country must have ports equipped with efficient modern cargo handling and transportation facilities. Without these conditions, resolving a country's grain problem by importing grain from the foreign market is only an impractical idea.

China is the number one grain consumer in the world today. Now that the problem concerning food and clothing has been basically resolved in China, the growth in the population's demand for grain is quite moderate. But animal farming and the food industry still have a huge demand for grain. From a development point of view, China will be facing a shortage rather than a surplus of grain. In the wake of the increase in the quantity and the improvement of the quality of the consumed grain in China, the development of modern animal husbandry, the readjustment of the production structure in rural areas, the expansion of industry, and the increase in nonagricultural population, the total grain consumption in China will increase by a wide margin. [paragraph continues]

China's total grain consumption amounted to 405.5 billion kg in 1985. It is predicted that the per capita grain demand will amount to at least 400 kg by the turn of the century and China's total demand for grain will then reach over 500 billion kg, or over 500 million tons, roughly equivalent to one-third of the world's total grain output. No country or area in the world can assure us of a long-term and stable supply of grain to meet such a huge demand -- what we can do is rely on ourselves in vigorously developing our own agriculture and grain production. Moreover, grain import will cost huge amounts of money. If China imported some 10 percent of its grain demand, this would mean importing 50 million tons of grain; if China imported some 15 percent of its grain demand, this would mean importing 75 million tons of grain. Calculated based on the current constant price of wheat in the world, importing grain would cost \$7.5 billion to 11.25 billion. China, which is engaging in the four modernizations program, cannot afford such a huge foreign exchange expenditure.

There are in the main three classes of grain production and consumption in the world today. The United States and Soviet Union belong to the first class -- they are both grain producers and big grain consumers. France, the FRG, Canada, Australia, and Japan belong to the second class -- all of them are big grain consumers, but Canada and Australia are big grain producers while Japan is a small grain producer. The vast number of Third World countries belong to the third class. Only a few of them can export some surplus grain, while the remaining majority are facing a shortage of grain and their grain consumption level is low. The population of developing countries constitutes over 70 percent of the world's total population, but their grain consumption is less than 50 percent of the world's total grain consumption. The crux of the grain problem of the world today lies in Asia, Africa, and Latin America, especially in the miserable continent of Africa. Apart from Africa, many Asian and Latin American countries are facing a serious shortage of grain. A study report entitled "Agriculture in Prospect: 2000" published by the UN Food and Agriculture Organization in November 1979 points out: The population of 90 developing countries in the world (excluding China) will increase to 1.6 billion by the year 2000; in other words, throughout the 1990's, these countries will have to feed an average of 95 million additional people every year. By the turn of the century, these countries will be short of 130 million tons of grain, their grain self-supplying rate will drop from 92 percent in 1975 to 87 percent by then, and the world's severely malnourished population will also increase from 400 million in 1970 to 590 million by 2000. As a usual phenomenon in many developing countries, shortage of grain is accompanied by debts, and poverty accompanies starvation. On the one hand, they badly need to import grain to ease the shortage; on the other hand, they have no financial resources to import grain as they are already heavily in debt. Therefore, we should not be blindly optimistic about the solution to the world's grain problem, nor should we place our hope on the overseas grain market for the supply of grain to China.

Another problem is that the balance between the growth in grain production and the growth in grain consumption of the world, as well as the world grain market, has undergone tremendous changes. First, the growth in the world consumption of grain, especially flour and rice, has surpassed the growth in the world's total grain output. Comparing Fiscal Year 1983-1984 with Fiscal Year 1960-1961, we find that the world's total output of major crops -- such as wheat, rice, corn, Chinese sorghum, barley, and soybeans -- increased by 660.7 million tons; during the same period, the total consumption of these major crops increased by 783.2 million tons. The growth in consumption exceeded the growth in total output by 122.5 million tons, of which the growth in the consumption of wheat and corn exceeded the growth in their output by 47.7 million tons respectively. [paragraph continues]

Second, the growth in the grain trade volume has exceeded the growth in output. In the 1940's, the world's average annual grain trade volume was only 38 million tons; it increased to 51.6 million tons in the 1950's, to 96 million tons in the 1960's, and to 150 million tons in the 1970's. It has even risen sharply to over 200 million tons since 1980. From the early 1970's to the early 1980's, the annual growth rate of the world's grain trade volume reached 6.3 percent -- that is to say, 4.2 percent higher than the annual growth rate of grain output for the same period, which was recorded at 2.1 percent. Third, while more countries have become grain importers, a few grain exporter countries have emerged in the world. The world's traditional regional grain trade structure has undergone tremendous changes since World War II. The Soviet Union and some East European countries which used to be net grain exporters have become net grain importers. Japan and some Western European countries have also become major grain importers in the world. As their grain output fails to meet the sale volume, quite a few developing countries must depend on importing grain to maintain a balance between supply and demand at home. As a result, the number of net grain importers in the world keeps rising. On the other hand, the annual grain export volume of five countries -- namely, the United States, France, Canada, Australia, and Argentina -- has reached 180 million tons, accounting for 80-85 percent of the world's total grain export volume. Of these countries, the United States, with its exports of wheat, corn, rice, and soybeans accounting for 48 percent, 76.8 percent, 18 percent, and 86.5 percent of the world's total exports respectively, has become the number one "grain magnate" in the world today. Fourth, the variety of exported grain has changed, and coarse grain has become the staple grain export. In the world's history of grain trade, food grain, especially wheat, was the staple grain export in the mid-1960's. But now, the trade volume of coarse grain comprises over 50 percent of the world's grain trade volume. Fifth, the grain market has been unstable while the grain price has fluctuated. The world's grain market was stable on the whole before 1970. However, the 1972 and 1974 worldwide crop failures brought about a sharp decrease in the world's total grain output. Panic grain purchase by the Soviet Union and other countries made the grain price soar and reach its peak in 1974. The world's grain trade volume declined and the grain price has dropped in the past 2 years mainly due to the increase in grain output and the remarkable reduction of grain import by the Soviet Union and other countries. The world's grain market would again face a short supply if there were another worldwide crop failure that forced large countries to import huge amounts of grain. This is the reason we cannot place high hopes on the world's grain market.

The bitter experience of many Asian countries in the world's history of agricultural development is worth pondering. It was during the period from around the end of World War II to the first half of the 1950's that Asia's agriculture and grain production was gradually restored and began to develop again. However, there came a period of decline in the latter half of the 1950's. One of the important reasons for the decline was the wrong development strategy. To shift the disastrous effect of agricultural crises onto other countries, the United States dumped massive "surplus" agricultural products in the form of aid, gifts, or low-interest loans in the mid- and late-1950's. The value of wheat, cotton, and other farm products disposed of in this way from 1955 to 1962 totaled \$9.1 billion, of which the value of dumped grain and processed grain products totaled \$5,776 million. During this period, Asia became the largest market of the low-priced agricultural products from the United States -- the volume of export to India, the Arabian region, South Korea, and Pakistan alone accounted for over 60 percent of the U.S. exports of overstocked agricultural products. These low-priced agricultural products, which kept pouring into Asia for several successive years, made a strong impact on Asia's agriculture and grain production which had just been restored and began to develop again at that time. The traditional trade structure was also remarkably destroyed.

Then, in the late 1960's and the mid-1970's, when the world was facing a shortage of grain, the "surplus" grain of the West was almost sold out as a consequence of pan/c purchasing, and the world's grain stock dropped to a level equivalent to 14 percent of the world's total grain consumption recorded in those years, even lower than the lowest safety line for the world's grain stock (17 percent) that was set by the UN Food and Agriculture Organization. Thus came the so-called "world grain crisis." During this crisis the United States suddenly changed its policy of grain aid to the policy of grain sales in cash, which landed many Asian countries in a still more difficult position. This bitter lesson sounded the alarm for Asia. Many countries began to draw up new strategies for agricultural development, set the strategic target of self-sufficiency in grain, and entered a new stage of "green revolution" that gave priority to the development of agriculture and grain production. This roundabout course of agricultural development in Asia serves as convincing evidence to negate the theory of "dependence on the overseas grain market."

Thus, the correct conclusion is that we must have our feet firmly planted in our own country in trying to resolve our grain problem. In other words, our guideline is to always consider grain production as a basic production sector having an important bearing on the national economy and the people's livelihood. In practice, we must not only adhere to the orientation of overall development of both farming and processing and comprehensive management of agriculture, industry, and commerce, but must maintain steady growth in total grain output, to fulfill the strategic goal for a total grain output of 500 billion kg by the turn of the century and to meet the ever-growing demand for grain at home.

China has the objective condition for resolving its grain problem on its own through development of its agriculture. The principle laid down by the central authorities that demands that "constant efforts be made to promote grain production and to develop the diversified economy" has provided a basic guarantee for resolving the grain problem; the hundreds of millions of Chinese peasants who are adept at intensive and meticulous farming are great human resources; some 2 billion mu of farmland, more than 3 billion mu of usable grassland, and the vast waters are a solid material basis; the agricultural scientific and technological service setup which has begun to take shape is an important advantage; and there are broad vistas for the development of our rich agricultural resources. So long as we can give full play to all these conditions, it will be completely possible for us to effect an overall development of agriculture in China and to achieve self-sufficiency in grain supply or even self-sufficiency with some surplus. All the actual achievements that have been made since the 3d Plenary Session of the 11th CPC Central Committee have proved conclusively that it is completely possible for China to resolve the grain problem on its own. From 1980 to 1986, China's grain production witnessed an average annual growth of about 10 billion kg. In the year 1984 as a turning point, China's total grain output exceeded 400 billion kg. This can be regarded as one of the most outstanding achievements that had been made since the founding of the PRC. Now we should strive to further develop this excellent situation.

For the moment we need to work along both lines -- promoting production while enlivening circulation. Production is the basis; circulation, the key link. To further raise grain production to a new level, we must adopt some feasible economic policies to protect and give full play to grain farmers' initiative in production; we must continue to invest material resources in the improvement of the conditions for agricultural production to add to our potential; we must consolidate and improve our social service system for agriculture which provides services before, during, and after production; we must build a structure step by step to ensure a regional balance in grain production in the whole country; and so on. [paragraph continues]

In order to raise the degree of specialization and commercialization of agriculture and grain production, it is necessary to let superior grain farmers gradually dominate grain production. So, we will be able to tap the potential of large-scale farming, raise labor productivity, enable grain-farmers to get rich, and open vast vistas for grain production by helping this sector to create an inherent and lasting motive force.

Of course, in maintaining that we should rely on ourselves in resolving our grain problem, we never mean to isolate ourselves from the overseas grain market. Precisely to the contrary, we must still implement the policy of opening up to the outside world when conducting trade of agricultural products, including grain. However, we should actively promote grain trade only with the initiative kept in our hands. We should take the initiative in making use of the overseas grain market in a flexible way, importing or exporting grain in light of the actual needs. Only in this way will we be able to test the quality of our grain products against the international standards accepted by the world market, raise their competitive power, and regulate the grain variety structure of China. Such an idea is different in principle from that of "reliance on the overseas grain market" -- the latter is passive while the former is absolutely active and promising.

COMMENTATOR NOTES RURAL SCIENTIFIC KNOWLEDGE

HK120751 Beijing RENMIN RIBAO in Chinese 10 Mar 87 p 1

[Commentator's article: "Popularizing Scientific Knowledge in Rural Areas Is a Strategic Task"]

[Text] The steady and sustained development of agriculture has a vital bearing on the overall situation in our country's modernization process. In 1982, Comrade Deng Xiaoping pointed out: "The development of agriculture should first rely on the policies, and second rely on science. It is important to rely on the policies to arouse peasants' enthusiasm, but the effect of a policy is limited and after a certain period, policy's role may be fully tapped. However, the development and the role of science and technology are unlimited and inexhaustible." It is a task of strategic significance to rely on the popularization of science and technology in the rural areas to greatly raise the agricultural productive forces and maintain the development momentum of agriculture.

According to the statistics in some developed countries, in the early years of this century, less than 20 percent of the growth in the agricultural productive forces was achieved from the application of new technologies; but in the 1980's, the rate rose to 80 percent. In our country, during the Sixth 5-Year Plan, some 30-40 percent of the growth in agricultural production was contributed by the adoption of scientific and technological factors. These figures show that there is a great potential to tap by relying on science and technology. Although our country has made remarkable achievements in this regard, we still have a long way to go in order to realize agricultural modernization and must quicken our pace in making advances.

The great Chinese nation had developed agricultural science and technology in ancient times. The founding of the PRC terminated the long stagnation and decline in agricultural technology in the last 100 years. Chinese scientific researchers have succeeded in developing many new technologies in agriculture, and some items reached the world's advanced level. The development of science and technology has greatly promoted the improvement of the labor productivity. [paragraph continues]

However, we still need to build an important bridge, that is, through spreading the new technologies and popularizing scientific knowledge, so as to turn the achievements in the laboratories and the bookish knowledge into peasants' skills which can make them rich. For various reasons, such links have not been well built. Since the 3d Plenary Session of the 11th CPC Central Committee, the reform of the rural economic structure has prompted the vast number of peasants to seek new technology and scientific knowledge with great eagerness. Meanwhile, the reform of the scientific research system has also enlivened the work of the whole country's scientific research institutes and aroused the research personnel's enthusiasm for spreading the technological achievements among the people. At present, a rural technological contingent, with rural skilled farmhands as the backbone force and rural technicians as the supporting force has taken shape. There are now more than 50,000 science popularization associations at the township level in all parts of the country, more than 70,000 mass technology study societies, and some 4 million technology amateurs in the countryside. They form a great force, and they represent a great creation of China's contemporary peasants.

In order to promote our country's agricultural modernization, we must make full use of this rural science popularization contingent and ensure its continuous growth. Mobilizing the masses and relying on the masses is a basic work method of our party in leading work in all aspects. This traditional work method is also indispensable in advancing modernization and developing science and technology. On the one hand, we should encourage more professional technological workers to go to the countryside to contribute their talent and wisdom to rural construction; on the other hand, we should organize all sorts of skilled farmhands and able craftsmen in the countryside and let them play a role in spreading and passing advanced technologies and techniques. As long as party and government leaders at all levels and local science and technology associations pay close attention to the work of popularizing science and technology in the rural areas and create necessary conditions for this work, then, the unprecedented enthusiasm and activity of the rural technical personnel and skilled farmhands will certainly create rich new experiences.

In order to strengthen the rural technical work, all local science and technology associations should act as organizers. The county science and technology associations should take the building of the rural technical contingent as the main task in their routine work, and should concentrate on spreading the technological items that will achieve significant and great economic results in their counties. Scientific knowledge should really be popularized. It is necessary to support the work of the township and town science popularization association by helping them set up all kinds of technical service organizations. Through the offering of technical services, we will help peasant households solve their scattered technical problems in production. Thus, through our cadres' service work and the extensive participation of all peasants, the superiority of rural science popularization work under the socialist system will be fully demonstrated.

ZHANG JINGFU ADDRESSES TOBACCO MANAGERS

OW260103 Beijing XINHUA Domestic Service in Chinese 1203 GMT 25 Feb 87

[By RENMIN RIBAO reporter Mo Xinyuan and XINHUA reporter Wu Jincal]

[Text] Beijing, 25 Feb (XINHUA) -- State Councillor Zhang Jingfu addressed a national conference of tobacco company managers and monopoly bureau directors, which opened in Beijing today. He said: In increasing production and practicing economy, the tobacco trade should concentrate, not on total output, but on output of famous-brand quality products, by readjusting the product mix and turning out more marketable goods with high quality and low cost.

Calling for quality improvement and material consumption cuts, Zhang Jingfu said that the tobacco trade should increase the output of Grade A cigarettes and other marketable products. He also urged the trade to upgrade technology and improve the formula by developing mixed-type and low-tar health cigarettes, which are of great potential.

According to reports, China's tobacco trade scored remarkable results in readjusting product mix last year. The output of both Grade A and filtered cigarettes increased by about 50 percent. The proportion of grades A and B cigarettes was more than half the total output, and the overall quality of cigarettes also markedly improved.

The tobacco trade, with its low investment and high returns and tax rate, is an important source of state revenue. It has earned total profit and taxes of 58 billion yuan over the last 5 years, ranking among the top economic sectors in the country. Zhang Jingfu said: In view of the target of 75 billion yuan profit and taxes set by the state for the Seventh 5-Year Plan, the whole tobacco trade should exert every effort to ensure fulfillment of the target. In introducing modern management, tobacco enterprises should make careful calculations and strict budgeting in every section of production process by setting various consumption quotas and defining job responsibilities.

Zhang Jingfu emphatically pointed out that it is necessary to earnestly implement the State Council's "Regulation Governing Tobacco Monopoly" and strengthen supervision over the tobacco monopoly. A few cigarette factories not covered by the plan must be shut down or stop production. It is necessary to strictly ban such law-breaking activities as underground tobacco factories and handmade and fake cigarette, as well as such erroneous activities as excessively high output and cut-price sales by some small tobacco factories. Zhang Jingfu also called for consolidation of the cigarette market in order to protect consumer interests and prevent losses of state revenue.

Hao Jianxiu, member of the Secretariat of the CPC Central Committee, also attended the meeting today.

XI ZHONGXUN URGES EXPLOITING GUANGDONG RESOURCES

HK120455 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Mar 87

[Text] According to the Shaoguan People's Broadcasting Station, CPC Central Committee Political Bureau member Xi Zhongxun pointed out when inspecting Shaoguan City that it is necessary to do a good job in opening up and exploiting the rich resources of northern Guangdong. In this way, the area can develop very rapidly.

Comrade Xi Zhongxun inspected Lianxian, Buyuan, Lechang, Renhua, and Qujiang counties from 7 to 11 March. He was accompanied by Xu Shijie, vice chairman of the provincial Advisory Commission, and leading party and government comrades of Shaoguan City. Xi Zhongxun said: Northern Guangdong has very rich resources. Its industry is also quite good. There are very great potentials here. If the area can exploit these resources, it will develop quite rapidly.

Xi Zhongxun expressed full agreement with Shaoguan City's method of developing industry to match the development of the agricultural commodity production bases and developing production of commodities such as silk, ramie, and sugarcane. He said that the city is following the correct road by doing this. Comrade Xi Zhongxun also pointed out: We should focus on using foreign investment and advanced foreign technology to exploit the mountain area resources, and then take their products into the international market.

SHANGHAI LEADERS SEE GRASS-ROOTS ELECTORAL WORK

OW080721 Shanghai WEN HUI BAO in Chinese 3 Mar 87 p 1

[Text] Secretary Rui Xingwen and Deputy Secretary Wu Banguo of the Shanghai Municipal CPC Committee, recently inspected electoral work in Xuhui, Changning, and Yangpu Districts.

Comrade Rui Xingwen heard a report by the responsible person of the Fenglin Neighborhood Electoral Work Group in Xuhui District, and praised the neighborhood's electoral work in the past. He said: There are fundamental differences between China's electoral system and that of capitalist countries. As a socialist country, we must uphold the four cardinal principles and strengthen party leadership in promoting democracy. All units must bring into full play socialist democracy, abide strictly by the law, and do a good job in electoral work.

Comrade Wu Banguo went to inspect electoral work in Xuhui, Changning, and Yangpu Districts three mornings in a row. He held discussions with comrades of the districts. Comrade Wu Banguo pointed out: Propaganda and education are of great importance in elections. Electoral work must be taken as an education and practice in socialist democracy and legality. Through elections, we must further enhance the constituencies' sense of democracy and legality. The party committees at all levels must seriously strengthen leadership over electoral work, and educate party and league members to strictly abide by the law in order to ensure the smooth progress of electoral work.

Visit Export Products Exhibit

OW080711 Shanghai JIEFANG RIBAO in Chinese 3 Mar 87 p 1

[Excerpts] On 2 March, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, made a visit to the "Shanghai Suburbs Export Products Exhibition" held at the Agricultural Exhibition Hall. After the visit, he said: "The development of production for export in Shanghai's suburbs is good. There are many favorable conditions. After visiting this exhibition, I feel there are bright prospects for developing export and earning foreign exchange in the suburbs. I hope we will continue to make efforts, follow the guidelines of the municipal rural work meeting, and work together with urban industrial and foreign trade departments to further develop export production in the suburbs." [passage omitted]

On 1 March, Mayor Jiang Zemin spent Sunday visiting the Shanghai Municipal Agricultural Exhibition Hall to see the "Shanghai Suburbs Export Products Exhibition." He said he was satisfied with the exhibition. [passage omitted]

In the past few days Huang Ju, Wu Bangluo, Wang Liping, Li Zhaoji, Ye Gongqi, and other leading comrades of the municipal party committee and government also visited the exhibition.

HUBEI OFFICIAL ENCOURAGES PLAIN LIVING, STRUGGLE

HK030851 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 2 Mar 87

[Report by station reporter (Liu Yingqing) and correspondent (Ding Junjie)]

[Text] In his speech at today's opening ceremony of the spring term of the party school under the Hubei Provincial CPC Committee, Zhao Fulin, deputy secretary of the provincial party committee, noted: Leading groups at all levels must strengthen the building of revolutionization, and set examples in upholding the four cardinal principles, opposing bourgeois liberalization, and rectifying party style.

Zhao Fulin said: For historical reasons and due to the fact that some leading groups have failed to firmly grasp the building of their own groups, these groups have problems that remain to be solved urgently. He called on leading groups at all levels to fulfill the following tasks in the building of revolutionization:

First, we must strengthen ideological building, make great efforts to study the basic theories of Marxism-Leninism-Mao Zedong Thought, and enhance our ideological and theoretical quality.

Second, we must strengthen the building of party spirit and enhance our ideological and political quality. Leading cadres at all levels must acquire a communist world outlook, foster the ideology of wholeheartedly serving the people, and strengthen democratic centralism.

Zhao Fulin said: Another important aspect of the building of leading groups is that leading groups must strengthen the building of work styles and sharpen their ability to solve their own problems. For this reason, they must persist in seeking truth from facts, conduct criticism and self-criticism, maintain close ties with the masses, subject themselves to supervision by the masses, get rid of bureaucracy, and carry forward the fine tradition of plain living and hard struggle.

Zhao Fulin noted: Plain living and hard struggle are the true political qualities of we communists and also constitute the fine tradition of our Chinese nation. For a certain period of time, some of our comrades stopped stressing plain living and hard struggle, stopped mentioning hard work and thrift, went in for ostentation, extravagance, and waste, sought comfort and pleasure, fostered a common practice of being extravagant and wasteful, and were no longer willing to lead a life of plain living and hard struggle. Individual persons even forgot all moral principles at the sight of profits and took the criminal road. With this kind of state and with this kind of ideological quality, how could they lead the masses to promote modernization? All our comrades, particularly leading cadres, must under no circumstances forget the revolutionary tradition of plain living and hard struggle. We must build up the country through thrift and hard work, be industrious and thrifty in managing our households, run all undertakings industriously and thriftily, do people good turns, and carry out practical work for the people in a down-to-earth manner.

HUNAN MEETING STRESSES SOLVING LEFTOVER PROBLEMS

HK020918 Changsha Hunan Provincial Service in Mandarin 1100 GMT 1 Mar 87

[Report by station correspondent (Yang Jingzhong)]

[Text] A provincial meeting of directors of party rectification offices under prefectural and city party committees, which ended on 27 February, stressed: We must conscientiously strengthen leadership, firmly solve leftover problems in party rectification, do well in fulfilling party rectification tasks from start to finish, and further consolidate and develop achievements in party rectification.

Sun Wensheng, member of the Standing Committee of the provincial party committee and deputy head of the Leading Group for Party Rectification under the provincial party committee, attended and addressed the meeting.

The meeting noted: After conducting party rectification work for more than 3 years since November 1983, this province now has basically concluded the work. Under the correct leadership of the CPC Central Committee and under the concrete guidance of the Central Party Rectification Guidance Commission, party committees at all levels in this province have conscientiously paid special attention to party rectification work. Our party rectification work developed in a healthy way from start to finish. Moreover, the work developed better and better at every level and scored distinct achievements, which were affirmed by the Central Party Rectification Guidance Commission. However, there are problems such as the failure to perfect the work of seeking unity of thinking, the failure to fully expose and thoroughly rectify unhealthy practices including the practice of using power to seek personal gain, the failure of a few units to set high standards of party rectification, the existence of some units that have carried out party rectification work perfunctorily or superficially, and the existence of quite a few leftover problems in party rectification work at all levels.

The meeting noted: To guarantee comprehensively fulfilling this province's party rectification tasks, all areas must attach major importance to solving leftover problems in party rectification. We must uphold the leadership responsibility system for party rectification work. A leader who was in charge of a unit's party rectification work must be responsible for solving leftover problems in that unit. Those individuals who have not yet participated in party rectification work must make up missed lessons within a definite time period. Those that have not yet gone through registration formalities must quickly go through such formalities. In principle, all major and key cases that were handled separately during party rectification must be completed during the party rectification period. Party members connected with financial cases must pay back debts within a short period of time.

Referring to education in the party spirit, the meeting stressed: The current focal point is upholding the four cardinal principles. Party organizations at all levels and the vast number of party members must take a clear-cut stand on opposing bourgeois liberalization. Regarding the vast numbers of party members in rural areas, we must persist in conducting positive education in upholding the four cardinal principles for them. At the same time, we must conduct a widespread restudy of the party Constitution. The meeting called on party committees at all levels to adopt measures to further consolidate and develop achievements in party rectification through the promotion of ideological work, work style, discipline, and organizational work. We must further do well in solving the problem of having the party to manage party issues, conscientiously rectify party style and unhealthy practices, promote the building of basic-level party organizations, and strengthen the vitality of party organizations.

SICHUAN SCHEDULES PEOPLE'S CONGRESS SESSION

HK080319 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 7 Mar 87

[Excerpt] The 24th meeting of the 6th provincial People's Congress Standing Committee concluded on 7 March after 6 days in session. Vice Chairman Meng Dongbo presided at the session on 7 March. The meeting passed a resolution on seriously studying and implementing the NPC Standing Committee decision on stepping up legal education and preserving stability and unity. The meeting also passed a resolution on convening the fifth session of the sixth provincial People's Congress in Chengdu on 23 April. [passage omitted]

SICHUAN LEADER DISCUSSES GRAIN QUESTIONS

RX060147 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 5 Mar 87

[Excerpts] According to SICHUAN RIBAO, Vice Governor Xie Shijie pointed out in a speech at the provincial grain work conference on 5 March that the government at all levels and the grain departments must strengthen their concept of the overall situation, continue to do their work well, seriously implement the policies, and hurry to make a success of this year's work of placing grain contracts and issuing prepayments, to ensure the complete fulfillment of the state grain procurement plan.

This conference, held in Chengdu from 1 to 5 March, focused on implementing the relevant central instructions and studying and making arrangements for this year's work. [passage omitted]

Xie Shijie stressed in his speech: Judging by the current state of grain supply and demand in China and the development trends, we must continue to practice a dual-track combination of contract purchasing and market purchasing of grain for quite a long time to come. It is impermissible under any pretext to increase the grain burden on the peasants by imposing additional grain levies. Any such levies that have already been imposed must be cancelled. It is essential to make sure that the chemical fertilizer and diesel fuel supplies linked to the grain contracts are made good, and supplied at par. The economic benefits conferred on the peasants by the state must be properly firmed up. [passage omitted]

SICHUAN LEADERS STRESS FIGHTING SERIOUS DROUGHT

HK070223 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 6 Mar 87

[Excerpts] According to SICHUAN RIBAO, the provincial party committee and government held a telephone conference on the evening of 6 March to call on the leaders and rural cadres throughout the province to immediately take action to go to the frontline of production and lead the peasants to vigorously fight drought, step up the final stage tending of spring-harvested crops, and fight a successful battle in spring farming, to ensure sustained increased output and bumper harvests in agriculture. [passage omitted]

Nie Ronggui, deputy secretary of the provincial party committee, presided. Secretary Yang Rudai made a speech. Deputy Secretary and Governor Jiang Minkuan read out an urgent circular from the provincial party committee and government on vigorously fighting natural disasters and ensuring a sustained increase of output and bumper harvests in agriculture.

Xie Shijie, member of the Standing Committee of the provincial party committee and vice governor, spoke on the current main problems facing agricultural production and the measures that should be taken.

The meeting pointed out that the general situation in Sichuan's rural work this year, due to the fact that all localities have strengthened leadership over agriculture and the peasants' enthusiasm for production has been further enhanced. However, the province has experienced abnormal weather since last winter, with persistent high temperatures and little rain. Spring drought has followed winter drought. This is having a serious impact on production of the spring-harvested crops and will also add new difficulties to spring sowing and rice transplanting. It poses a very great threat to this year's agricultural production.

At present there are serious shortages of various agricultural production materials such as chemical fertilizer, diesel fuel, plastic sheeting, seed, pesticides, and small farm tools. In particular, as there have recently been too many meetings, the leaders have been unable to go down to the grass roots, and as a result the ideological mobilization, policy implementation, and production preparations have not been grasped or firmed up well. There is also a more or less universal feeling among the masses of relying on luck and waiting for rain, and also a negative fear of difficulties.

It is therefore imperative to mobilize the cadres and masses to immediately take action and adopt effective measures to fight the natural disasters and reap a bumper harvest. The party committees and government at all levels must strengthen ideological and organizational leadership and concentrate efforts on fighting drought and carrying out spring farm work. [passage omitted]

The urgent circular of the provincial party committee and government made the following points:

1. Fighting natural disasters and striving for bumper harvests is the current overriding task in the rural areas throughout Sichuan. Work arrangements at country level and below must be subordinated to and serve this core task. The principal leading cadres of the party committees and government must personally grasp antinatural disaster work and accept direct responsibility for fulfilling the task of increasing agricultural output and revenue. From now on, all other work that hampers the fight against natural disasters can be postponed or delayed. [passage omitted]
2. Continue to do a good job in the final stage tending of the spring-sown crops and devote great efforts to dealing with plant diseases and insect pests. [passage omitted]
3. Resolutely fight a successful battle in spring farm work. The tasks of this work are extremely arduous this year. On the one hand, we must do everything possible to transplant more rice, and on the other we must grow dry-land crops, striving to expand the spring-sown grain area by 2 million mu. This should be mainly done by increasing the multiple-cropping index, not by reducing the sown areas of major industrial crops such as cotton and sugarcane. We should thus ensure coordinated development of grain and industrial crops. [passage omitted]
4. We must do a good job in the production and supply of materials for agricultural production. All sectors and trades must vigorously support agriculture. The party and government leaders and the departments concerned must give priority to ensuring the chemical fertilizer, plastic sheeting, diesel fuel, electric power, and capital needed in agriculture [passage omitted]

5. We must make proper arrangements for the livelihood of the masses in areas seriously hit by natural disasters. Some of the masses are already short of grain in certain disaster areas where there has been continuous drought, and a summer famine there is also possible. The civil affairs, grain, and banking departments must promptly send forces down to work with the local governments in making proper arrangements for the livelihood of poor peasant households, and also help them to carry out self-salvation through production to tide over the difficulties by opening up more production outlets. They should try to increase output and income.

XIZANG STANDING COMMITTEE MEETING OPENS

HK101241 Lhasa Xizang Regional Service in Mandarin 1130 GMT 9 Mar 87

[Text] The 20th meeting of the 4th autonomous regional People's Congress Standing Committee opened on 9 March in Lhasa. The meeting's major topics for discussion are: To convey the spirit of the 19th meeting of the 6th NPC Standing Committee; to discuss suggestions for items on the agenda for the convening of the 5th meeting of the 4th autonomous regional People's Congress; and to discuss and deliberate suggestions for the region's reelections at the county and township levels and suggestions for plans to promote the building of the grass-roots organs of political power.

Pagbalha Geleg Namgyai, vice chairman of the autonomous regional People's Congress Standing Committee, presided over the 9 March meeting. Jangzhong Zhaxidoje, vice chairman of the autonomous regional People's Congress Standing Committee, conveyed the spirit of the 19th meeting of the 6th NPC Standing Committee.

During the meeting, the participating members conscientiously discussed the NPC Standing Committee's resolution on strengthening education about the legal system and safeguarding stability and unity. They unanimously noted: The resolution reaffirmed upholding the four cardinal principles. Upholding the four cardinal principles is the common political foundation for people of all nationalities throughout the country to promote unity and make progress, and is also the fundamental guarantee of the successful promotion of our socialist modernization program.

The participating members noted: Just like other parts of the country, Xizang also requires a political situation of stability and unity. Conscientiously implementing the NPC Standing Committee's resolution on strengthening education in the legal system and safeguarding stability and unity will remain our region's fundamental task for a long time to come.

Attending the meeting were Pudoje, Punche, and Samding Doje Pamo, vice chairmen of the autonomous regional People's Congress Standing Committee.

The meeting is scheduled to last 3 days.

BEIJING CPC HOLDS PLENARY SESSION

SK111055 Beijing BEIJING RIBAO in Chinese 4 Mar 87 p 1

[Text] At the 10th (Enlarged) Plenary Session of the 5th Beijing Municipal CPC Committee, which concluded on 3 March, Li Ximing, secretary of the municipal party committee, called on party organizations at all levels throughout the municipality to conscientiously implement the two major tasks set forth by the party Central Committee: Upholding the four cardinal principles and opposing bourgeois liberalism; and increasing production and practicing economy, increasing revenues and reducing expenditures, deepening reform, and ensuring the sustained and stable development of the national economy. He also urged them to unite with and rely on the people throughout the municipality to usher in the convocation of the 13th National Party Congress and the 6th municipal party congress with outstanding achievements in various fields of work.

Li Ximing and Chen Xitong, secretaries of the municipal party committee, gave important speeches at the session. Attending the session were Jin Jian, Xu Weiqheng, Wang Jialiu, Wang Guang, Li Qian, Zhang Mingyi, Han Boping, Li Guang, Chen Yuan, Lu Yucheng, Wang Lixing, Wang Xian, Ye Zilong, Liu Jianfu, Zhao Pengfei, and Bai Jiefu, as well as members and alternate members of the municipal party committee. Members of the municipal Advisory Commission, members of the municipal party committee, members of the municipal Discipline Inspection Commission, and party-member responsible cadres of various departments, committees, and offices of the municipal party committee, the municipal People's Congress, government and CPPCC Committee, and various districts, counties, bureaus and colleges, and universities attended as nonvoting delegates.

The participating comrades studied and discussed the opinions of the municipal party committee on the arrangements for the major fields of work for 1987. They unanimously held that in 1986, party organizations at all levels and the masses of party members and people throughout the municipality united as one, braved the way forward, and enabled the national capital to make a fairly big stride and achieve notable results in building the socialist material and spiritual civilizations, thanks to the leadership and concern of the party Central Committee.

What is the focus of the work for party organizations at all levels throughout the municipality in 1987? Based on the two major tasks put forward by the party Central Committee and the actual situation of the municipality, the session mapped out the work in the following four fields:

1. It is necessary to uphold the four cardinal principles and oppose bourgeois liberalism. The session emphasized that carrying out this struggle in a serious and conscientious manner is an important task for the whole party in 1987. Party organizations at all levels throughout the municipality should fully understand the importance and protractedness of this struggle, conduct education in a down-to-earth manner among all party members on upholding the four cardinal principles with positive examples, criticize with a clear-cut stand erroneous viewpoints and speeches on bourgeois liberalism, and strictly implement the principles and policies of the party Central Committee, both with a resolute attitude without leaving the tasks half done, and with a prudent manner and proper methods so as to guarantee the sound development of this struggle. The session urged party leading cadres at all levels to personally give party lectures, give guidance, participate in discussions, answer questions, and carry out patient and meticulous ideological and political work. All Communist Party members should strictly observe the party's political and organizational discipline and stand at the fore of the struggle with a clear-cut stand. [paragraph continues]

Press units and the media should adhere to the correct ideological and political orientation; take the initiative in correctly advocating the party's line, principles, and policies under party leadership; and never provide a front for speeches and works in favor of bourgeois liberalism.

2. It is necessary to deepen reform and establish the capital's economic construction on a basis of sustained and stable development. Party organizations at all levels throughout the municipality should conduct in-depth education among party members on arduous struggle, plain living, building up the country through thrift and hard work, increasing production and practicing economy, and increasing revenues and reducing expenditures. We should enable the masses of party members and cadres at various levels to understand that as a developing city, Beijing still faces many difficulties and problems and needs to uphold the fine tradition of arduous struggle, plain living and building up the country through thrift and hard work, and to stop such unhealthy trends as extravagance and waste in its efforts to achieve modernization. All trades and professions throughout the municipality should adopt realistic measures to increase production and income, oppose waste, and practice economy.

The session stressed that to invigorate large and medium-sized enterprises and deepen the reforms in various fields, we should conscientiously strengthen party leadership over the political ideology, principles, and policies on reform. We should clarify an important guiding idea, that is, we should emphasize and shift efforts to improving the internal mechanisms of enterprises, strengthening management, upgrading technology, tapping potential, raising benefits and continuously increasing enterprises' ability to cope with changes. We should not ask for money or preferential treatment endlessly, or rely on the state whenever we talk about reform. We should follow the mass line, fully arouse the masses' enthusiasm for showing concern for and participating in reform, and enhance their sense of responsibility as masters of the state. We should make them understand that from a long-term point of view, reform eventually will bring actual benefits to every laborer. However, this does mean that every reform measure will bring about actual benefits immediately. Sometimes there are risks. Therefore, we must never ask for higher pay and higher bonuses whenever reform is mentioned. We should protect and support reformers and adopt an active yet prudent attitude toward reform.

In order to further shift our economic work onto the path of sustained and steady development, the plenary session called on leading cadres at all levels, particularly cadres in charge of economic work, to firmly foster the idea of proceeding from reality and doing things according to their capacity, the idea of making the part subordinate itself to the whole, and the sense of discipline and of enforcing laws and regulations, to lead all party members and serve as examples in implementing the party's decisions, and to ensure the implementation of all economic policies of the party Central Committee in Beijing Municipality.

3. It is necessary to strengthen the building of spiritual civilization and the legal system, and turn the capital into a more civilized city. The plenary session pointed out that in 1987 we should actively strengthen the party's ideological and political work, and through all forms of activities, conduct intensive education among the people throughout the municipality on ideals and discipline, on adhering to the selfless spirit, on the superiority of the socialist system, and on inheriting and promoting the fine national culture and traditions, in an effort to raise the people's ideological and ethical levels.

This year one of the important points in building the capital's spiritual civilization is to continuously implement the decision of the municipal party committee and government on improving and strengthening the capital's service work, and to actively improve service attitudes and service levels. [paragraph continues]

The plenary session called for efforts to grasp well 10 fields of work this year, which will directly affect the whole situation of the capital's civilization construction and are closely related to the daily lives of the people. It also called for conducting education on morality in 10 respects, namely, the commercial service and professional ethics of sincerity, honesty and convenient service; the professional ethics of safety, punctuality, and civility among public transport service workers; the professional ethics of saving the dying and helping the wounded and having a high sense of responsibility among medical workers; the professional ethics of saving the dying and helping the wounded and having a high sense of responsibility among medical workers; the professional ethics of showing a warm and friendly attitude and being prudent to the people among tourist service workers; the professional ethics of giving consideration to the people and stressing quality among workers who are engaged in civil administration and public utilities work; the professional ethics of showing lofty sentiments and upright performing style among art and literature workers; the professional ethics of educating the people by teaching and serving as a teacher and example among the educational workers; the professional ethics of observing discipline and the law, and of being fair in buying and selling among individual traders; the professional ethics of handling things impartially and observing the law and being incorruptible among the public security and judicial workers as well as law enforcement people; and the professional ethics of doing one's public duties honestly and being a willing public servant among the state cadres. The industrial, agricultural, and building trades should also clearly define their own professional ethics and carry out intensive education on professional ethics in a down-to-earth manner.

While touching on strengthening democracy, building the legal system, and consolidating the political situation of stability and unity, the participants at the plenary session called on the party committees at all levels to organize cadres and the masses to conscientiously study the decision to the NPC Standing Committee on strengthening legal education to maintain stability and unity, intensify the sense of the legal system and the ideology of being a citizen among the people throughout the municipality, and enhance their awareness of observing discipline and the law. We should promote the people's democracy and improve the People's Congress system, strengthen the building of political power at all levels, and mobilize the enthusiasm in serving as masters of the state and in managing state affairs among the broad masses of people in a better manner. Party organizations should further strengthen leadership over social security work, resolutely deal blows to serious criminals in line with the law and the principle of dealing heavy and prompt blows to them, and continue to strengthen and improve social order.

4. It is necessary to consolidate party rectification achievements, improve democratic centralism and further improve and strengthen the party's leadership. The plenary session called on party committees at all levels to continuously solve the leftover problems in party rectification on the basis of doing a good job in summing up party rectification achievements, actively strengthen the grass-roots party building, deeply conduct education about the party spirit, party style and party discipline, and consolidate and develop the party rectification achievements. In order to unite with and lead the party members and the people throughout the municipality in fulfilling this year's various tasks, the plenary session called on the leading party cadres at all levels to conscientiously improve their leadership work style, to firmly bear in mind the ideology that leadership means service, earnestly overcome bureaucracy, and do solid things for the grass roots as well as the people in a down-to-earth manner. We should get out of our offices, go deeply to the grass-roots levels, conduct conscientious investigations and study, grasp firsthand information, and practice scientific policy-making.

BEIJING MAYOR INVITES CENTRAL COMRADES TO MEETING

SK090910 Beijing BEIJING RIBAO in Chinese 1 Mar 87 p 1

[Excerpt] Yesterday, Song Jian, state councillor and minister of the State Scientific and Technological Commission, and leading comrades of central departments and commissions were invited by Mayor Chen Xitong to a government-sponsored report meeting on invigorating Beijing Municipality's rural economy. On behalf of the municipal government, Chen Xitong sincerely thanked the various central units stationed in Beijing for their active support and great help in various municipal work, particularly in rural economic development, and welcomed all departments and commissions to continuously display their own superiority of science, technology, and competent personnel; to establish ties and lateral cooperation with various districts and counties in Beijing's suburban areas; to help Beijing realize the "spark plan"; to develop the rural economy; and to enable suburban areas of Beijing to better serve the central organs and the people of the capital and the peasants of the outskirts of the city to embark on the road toward prosperity within a short period of time.

At the meeting, Vice Mayor Zhang Jianmin presented a brief report to the leaders of the central departments and commissions on the rural situations in suburban areas and the municipal government's tentative plans for establishing ties and developing lateral cooperation in selected units. He said: Since the 3d Plenary Session of the 11th CPC Central Committee, under the guidance of the central policies and with the active support of various central departments and commissions, the suburban areas of Beijing have achieved political stability and rapid economic development. Scientific and technological work have played a more prominent role in the rural economy. Judging from the economic development trend in Beijing's suburban areas, although they have scored fairly great achievements over the past few years, they still have lagged far behind the advanced provinces and cities. For example, the total annual revenues from township enterprises in some counties in south China reached 3 to 4 billion yuan while that of the 14 counties in Beijing's suburban areas reached merely 6 billion yuan. The commodity economy in the city outskirts is more developed and the peasants are richer. However, the mountainous areas which account for 62 percent of the municipality's total area are short of trained personnel and backward in technology and thus their economy is undeveloped. In addition, viewing from the implementation of the "spark plan," the rural areas in the suburban districts badly need support from all quarters. The party Central Committee has called on us to turn the capital into a national political and cultural center, and a "window" for foreign contacts. Beijing's suburban areas are important components of the capital. Only by rapidly developing rural areas and making peasants rich can we make Beijing serve as a complete "window." To realize the "spark plan" and the economic development plan for Beijing's suburban areas during the Seventh 5-Year Plan, it is inadequate to rely merely on Beijing's own efforts. It requires the central departments and commissions to unceasingly provide active support.

During the report meeting, leading comrades of the municipal government also gave an account of relevant items and situations for which some districts and counties need support. They expressed hope that all departments and commissions would provide support and cooperation for township enterprises and district and county-run industries in terms of management, technology, funds, and new projects, as well as technology, equipment, and trained personnel for building modern nonstaple food bases. According to the State Council's stipulations for developing lateral cooperation, the forms of cooperation may be diversified and flexible. In addition, they also hoped that all units would display their superiority by having extensive international contacts, and help suburban districts and counties import foreign funds and technology. All districts, counties, townships, and towns in Beijing's suburban areas, in line with state policies, should provide more preferential terms for the units and personnel that give them assistance and care for their economic benefits.

Also attending yesterday's report meeting were Ding Xiaonong, vice minister of the State Machine-Building Commission; Minister of Astronautics Li Xue; Vice Minister of Aeronautics Cui Guangwei; Vice Minister of Light Industry Kang Zhonglun; Vice Minister of Metallurgical Industry Xu Daquan; Fang Zhangshun, vice minister of geology and mineral resources; Vice Minister of Coal Industry Zhang Baoming; Vice Minister of Commerce Ji Ming; Liu Jiang, vice minister of agriculture, animal husbandry, and fisheries; Gao Jun, member of the Central Discipline Inspection Commission; Liu Shulin, adviser to the Ministry of Nuclear Industry; Wang Zhangyi, vice minister of communications; Hou Ziqiang, deputy secretary general of the Chinese Academy of Sciences; and Zhu Chuntian, director of the general office of the Ministry of Chemical Industry; and responsible persons of relevant departments and bureaus of various ministries and commissions. Leading municipal comrades, including Wang Xian, Han Boping, Huang Chao, and Lu Yucheng, and responsible persons of various districts and counties in Beijing's suburban areas also attended the report meeting. [passage omitted]

BEIJING SECRETARY AT UNITED FRONT WORK CONFERENCE

SK090755 Beijing BEIJING RIBAO in Chinese 1 Mar 87 p 1

[Text] The municipal united front work conference held by the municipal party committee concluded on 28 February after a 4-day session. The conference stressed the necessity to rely on the whole party and strengthen cooperation to further open up a new situation in united front work.

During the conference, the participants conscientiously studied the CPC Central Committee's important instructions on opposing bourgeois liberalism, the guidelines of the resolution of the 6th Plenary Session of the 12th CPC Central Committee and the party's principles and policies on united front work adopted since the 3d Plenary Session of the 11th CPC Central Committee, summed up and exchanged their work experiences, and decided through discussions the ways to implement the tasks set forth at the National United Front Work Conference in line with the actual conditions of Beijing Municipality.

Secretary Li Ximing and Deputy Secretary Jin Jian of the municipal party committee, gave a work report at the conference. He reviewed the progress of the municipal united front work made during the past 5 years, summed up the experiences in united front work carried out in the new period, and formulated the work tasks for the present and some time to come. First, in strict accordance with the central policies and the arrangements of the municipal party committee, it is necessary to give full play to the positive role of our municipality's united front in opposing the ideological trend of bourgeois liberalism and in consolidating stability and unity. Cadres at all levels in charge of the united front work should conscientiously study the relevant instructions and documents of the central authorities, and adopt a clear-cut stand in upholding the four cardinal principles and opposing the ideological trend of bourgeois liberalism. At the same time, they should resolutely carry out the central stipulation that "this struggle should not involve democratic parties and intellectuals outside the party." Second, it is necessary to implement the policies of "long-term coexistence and mutual supervision," and of "showing utter devotion and sharing weal and woe," and further strengthen the cooperative relations between the party, and democratic parties and persons from various circles outside the party. [paragraph continues]

Third, it is necessary to lend active support to various democratic parties and people from various circles outside the party in their endeavor to serve the capital's reform, opening to the outside world, and building of the socialist material and spiritual civilizations. Fourth, it is necessary to carry out overseas united front work with great efforts. Fifth, it is necessary to conscientiously carry out nationalities work and religious work. Sixth, it is necessary to conduct still wider and penetrating study, propaganda, and education on the theory and policies concerning the united front work in the new period. Seventh, it is necessary to strengthen the united front work contingents. Li Bokang pointed out that we should rely on the whole party and strengthen cooperation to further open up a new situation in our municipality's united front work.

In addition to relaying the guidelines of the National United Front Work Conference, Jin Jian, deputy secretary of the municipal party committee, emphatically expounded the important significance of strengthening party leadership over united front work, and implementing the principle that "the whole party should carry out united front work." He said: As the capital of the motherland and the political and cultural center of the country, Beijing Municipality enjoys exceptional advantages in carrying out united front work. We should make the best use of our advantages to make the party's united front work more successful, further consolidate and expand the patriotic united front, and enable Beijing's united front work to play a still greater role in upholding the four cardinal principles, consolidating stability and unity, better serving the capital's reform, opening to the outside world and two civilizations, and serving the purpose of reunifying the motherland and rejuvenating China.

Li Ximing, secretary of the municipal party committee, urged in his speech: Party committees at all levels should include the united front work in their agenda, hold several discussions over it in the year, and conscientiously strengthen leadership over it. When working out plans for and summing up their overall work, they should attach due importance to the united front work. Party and government leading comrades at all levels should take the lead in doing some united front work, personally hold forums of democratic parties and persons outside the party, and befriend them, give heed to their opinions, earnestly handle their criticism and suggestions, and show concern for their work and lives. Leadership over grass-roots united front work should be particularly strengthened under the circumstances that the scope, targets, and work areas of the united front work in the new period have notably expanded. Meanwhile, united front work departments should be strengthened organizationally, and the training of united front work cadres should be intensified.

Comrade Li Ximing called on all united front work departments to foster new ideas compatible with the situation and tasks, and strive to improve their work styles and work methods.

HEBEI'S QINHUANGDAO SETS YEAR'S ECONOMIC TASKS

OW110212 Beijing XINHUA in English 0136 GMT 11 Mar 87

[Text] Qinhuangdao, March 11 (XINHUA) -- Improving investment environment, rapid construction of the economic development zone and expanding exports are paramount tasks for Qinhuangdao, Hebei Province, this year, according to Mayor Gu Erxiang.

He said here today that Qinhuangdao, one of the 14 coastal cities with greater authority over foreign investment and trade, will build a 400,000 kw thermal power plant this year as part of its efforts to step up infrastructure construction.

Moreover, the expansion of an airport will be completed in July to accommodate jet airliners. Preparations for a gasworks to provide 230,000 cubic meters a day and a central heating supply system are well under way, Gu said.

"We're going to focus the use of foreign funds on technological upgrading of the existing businesses and boost technology- and expertise-intensive industries," he explained.

Four Sino-foreign joint ventures that involve sophisticated technology and are expected to yield quick returns will go into operation later this year at Qinhuangdao's economic development zone designed for foreign investors later this year.

He pledged the full efforts of the city authorities to build as many Sino-foreign joint ventures in the zone as possible and as soon as possible.

"We've set up a special committee in the zone to be in charge of all Sino-foreign joint venture affairs there," he said, adding that they had decided to provide preferential terms to foreign investors in the zone, such as reduced land-use fees and tax cuts.

This year, the city authorities will also do everything within their power to boost exports of such staple commodities as building materials, machinery, textiles, light industrial goods and foodstuffs.

In a campaign to expand the export-oriented sector of its economy, the city will also build new production centers for maize, aquatic products, fruit, animal by-products, glassware and chemicals.

The mayor cited the following figures to illustrate Qinhuangdao's advance in opening to the rest of the world since 1984:

- Foreign investment has reached 106 million U.S. dollars;
- Nineteen Sino-foreign joint ventures have been approved, six now operational; and
- The Qinhuangdao port handled 48.7 million tons of goods last year, up 10.3 percent from the previous year.

JILIN ADVISORY COMMISSION HOLDS PLENARY SESSION

SK040747 Changchun Jilin Provincial Service in Mandarin 2200 GMT 3 Mar 87

[Text] The Seventh Plenary Session of the First Jilin Provincial Advisory Commission was held in Changchun on 28 February.

Members of the provincial Advisory Commission participating in the session attended as observers the fifth enlarged plenary session of the fourth provincial Party Committee, which was held from 24 to 28 February.,

A total of 27 members attended this plenary session. Wang Daren, chairman of the provincial Advisory Commission, presided over the session. The session discussed and approved major points for work in 1987. The major points of 1987 work are as follows: The overall requirements for the work of the provincial Advisory Commission in 1987 are to conscientiously implement a series of important documents recently issued by the central authorities and the guidelines of the fifth enlarged plenary session of the Fourth provincial party committee; to carry out work in line with the principle that work must be done early instead of being dragging on and [words indistinct] and the principle of acting according to one's capability and doing everything in one's power; to make the work of the Advisory Commission serve the work of the provincial party committee; to strive to be a good political adviser and assistant to the provincial party committee; and to make new contributions to rejuvenating Jilin, consolidating and developing the political situation characterized by stability and unity, to facilitating the building of the province's two civilizations.

Comrades Wang Daren and Zhang Shiying made speeches on the issues regarding how to study the guidelines of the important documents of the central authorities and to enthusiastically support the work of leading bodies of the provincial party committee.

In his speech, Comrade Wang Daren called on members of the provincial Advisory Commission to conscientiously study Comrade Deng Xiaoping's speech to a rally participated in by 7,000 people in 1962 in line with the guidelines of the recent important documents of the central authorities. This speech was of far-reaching historical and great practical and profound significance in conducting the current work of adhering to the four cardinal principles, opposing bourgeois liberalism, and strengthening the party's democratic centralism.

Comrade Wang Daren also stressed in his speech: The Advisory Commission should enthusiastically support the work of the leading bodies of the provincial party committee, should accurately size up the situation, should strictly avoid onesidedness, should often keep sober-minded, should not be dizzy or blindly optimistic with success, should not be overcome or confused by mistakes, should correctly analyzed and solve problems cropping up in the course of work, and should develop the excellent situation to promote the province's two civilizations.

FOUR LIAONING ENTERPRISES WARNED OF BANKRUPTCY

OW051227 Beijing XINHUA in English 1154 GMT 5 Mar 87

[Text] Shenyang, March 5 (XINHUA) -- Four enterprises received bankruptcy warnings here in the first city to ever declare one of its enterprises bankrupt.

Directors of the four enterprises, all collectively-owned, were told yesterday by the city government that their businesses would be declared bankrupt if they fail to revive them within two years.

The four businesses include a rubber product factory that employs more than 1,100 people and the others each employ more than 200 workers.

The plant that went bankrupt last year employed less than 80 people. All of them have now reportedly found new jobs. It was also given a time limit of two years to make improvements but unfortunately, it failed.

Reports said the four businesses to receive warnings this week had previously asked the city government to issue them. Their debtors and supervision departments had also made similar requests. They are hoping the threat of bankruptcy will motivate their work forces to improve performance.

After careful study of the matter, the city government issued warnings in accordance with the trial enterprise bankruptcy law, said a city official at a news conference yesterday.

The city will soon issue warnings to several other state-run enterprises that are operating in the red, the official added.

According to the official, the other two plants that received warnings two years ago together with the bankrupt plant reported their business improved within the one year warning period.

Reports show other big cities in China like Chongqing and Wuhan followed suit after the city of Shenyang issued warnings to enterprises which were running large deficits.

The city will further spread practice of bankruptcy as one of the essential tools to promote the socialist commodity economy, said the official.

LIAONING EDUCATION CONFERENCE FIGHTS LIBERALISM

SK030802 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 2 Mar 87

[Text] The provincial educational work conference opened in Shenyang City on 2 March. At the conference, Shen Xianhui, Standing Committee member of the provincial party committee and director of the Propaganda Department, delivered a speech entitled: Uphold the Four Cardinal Principles, Oppose Bourgeois Liberalism, and Enhance Ideological and Political Work Among the Schools.

In his speech, Shen Xianhui first gave a basic appraisal of the ideological and political situation among the higher educational institutions throughout the province and then mentioned the major experiences and lessons gained in the work done by higher educational institutions over the past few years. Then he put forth his opinions on the tasks undertaken by the provincial educational front in upholding the four cardinal principles and opposing bourgeois liberalism.

In his speech, Shen Xianhui stated: The educational front in the province should launch a struggle against bourgeois liberalism chiefly among the party committees of higher educational institutions. Efforts should be made to chiefly conduct education on positive deeds among the party members of middle schools in the urban areas.

In his speech he stated: Successfully conducting study among the leading bodies, party members, and cadres and successfully training a number of backbone personnel are an important link in successfully launching the struggle against bourgeois liberalism. The leading bodies of schools should take the lead from beginning to end in successfully studying the relevant documents issued by the central authorities and make feasible arrangements for the work of upholding the four cardinal principles and opposing bourgeois liberalism by bearing in mind their own actual situation.

In his speech Comrade Shen Xianhui pointed out: In opposing bourgeois liberalism it is imperative to take a clear-cut stand on the one hand and to adopt adequate methods on the other. Efforts should be made to conduct ideological and political work with meticulous care. In conducting education among students, we should carefully organize our work, conduct guidance according to circumstances, and carry out the work in a well-guided and systematic manner. A good job should be done in organizing the colleges students who have just returned after the winter vacation to make reports on their achievements scored in social practice. Efforts should be made to adopt ways and means to have students speak out on their gains and discern the importance and protracted nature of the drive to oppose bourgeois liberalism. We should improve or establish various channels of dialogue with students and carry out dialogues with them in a formal or frequent manner in order to encourage them to put forward questions they themselves cannot solve and their criticism of our work. While successfully conducting education among students, efforts should be made to earnestly grasp ideological education on positive deeds among the teachers.

In his speech, Shen Xianhui also stressed: In opposing bourgeois liberalism, efforts should be made to launch the movement strictly according to the policy and limitations set forth by the central authorities. He stated that the movement of opposing bourgeois liberalism should be chiefly carried out in the fields of ideology and politics. We should oppose leftist methods on the one hand, refrain from expanding the limitations at will and opposing the rightist by making use of the leftist; and on the other hand we should pay attention to preventing the practice of launching the movement perfunctorily and superficially by bearing in mind the actual situation on the provincial educational front. Efforts should be made to correctly conduct criticism and self-criticism within the party and in the manner of "a gentle breeze and a mild rain."

In his speech Comrade Shen Xianhui in particular pointed out: Efforts should be made to integrate the struggle against bourgeois liberalism with the task of enhancing or improving the ideological and political work among the schools, to establish a keen-witted and capable contingent of personnel in charge of ideological and political work, and to enhance the organizational construction of party committees and CYL committees in schools.

At the conference Lin Sheng, vice governor of the province, delivered a report on relaying the spirit of the national 1987 educational work conference sponsored by the State Education Commission.

Attending the conference were leading comrades including Cui Boinghan and Ma Longxiang.

GANSU PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK120833 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 10 Mar 87

[Excerpts] The 23d meeting of the 6th provincial People's Congress Standing Committee opened in Lanzhou today.

Liu Bing, chairman of the provincial People's Congress Standing Committee, presided over this morning's plenary session. Some 28 persons attended the meeting, including Wang Yaohua, Liu Lanting, Xu Feiqing, Li Qiyang, Xing Anmin, Ma Pillie, Yang Fuxing and Li Fusheng, vice chairmen of the provincial People's Congress Standing Committee, and members of the provincial People's Congress Standing Committee. Governor Jia Zhijie attended the meeting as an observer. Also attending the meeting as observers were responsible comrades from the provincial Higher People's Court, from the provincial People's Procuratorate, from the relevant provincial departments, from organs of the provincial People's Congress Standing Committee, from liaison groups of the provincial People's Congress Standing Committee in all areas, and from People's Congress Standing Committees of all autonomous prefectures, cities and some counties.

At today's plenary session the members adopted the agenda and schedule of the meeting. [passage omitted]

After the plenary session the members discussed in panel a resolution adopted by the NPC Standing Committee on strengthening education in legality and safeguarding stability and unity. They unanimously held that the decision of the NPC Standing Committee is a powerful legal and ideological weapons for upholding the four cardinal principles, fighting bourgeois liberalization, and safeguarding stability and unity at present, and that it is necessary to organize people to earnestly study, propagate, and implement the decision.

NINGXIA'S GOVERNOR HEI BAILI RESIGNS

HK070113 Yinchuan Ningxia Regional Service in Mandarin 2300 GMT 6 Mar 87

[Excerpts] The 22d meeting of the 5th regional People's Congress Standing Committee continued in Yinchuan on 6 March, Chairman Ma Qingnian presiding. Regional party committee Secretary Shen Daren and Deputy Secretaries Hao Tingzao and Shen Xiaozeng were present. Regional People's Congress Standing Committee Vice Chairmen Ma Youde, Ding Yimin, Li Shumin, Guo Wenju, Liang Feibiao, and Feng Mao were also present. [passage omitted]

The meeting passed a decision on convening the fifth session of the fifth regional People's Congress. The session will be held in Yinchuan at the end of April.

The meeting passed a decision on accepting the request of Hei Baili to resign from his post as regional government chairman, and passed a decision appointing Bai Lichen acting chairman. Before these decisions were passed, Comrade Shen Daren introduced Comrade Bai Lichen's career to the participants on behalf of the regional party committee and put forward a suggestion that he should be appointed acting chairman of the regional government. The participants seriously discussed this suggestion and voted on it in accordance with law.

The meeting also discussed the NPC Standing Committee decision on stepping up legal education and preserving stability and unity. [passage omitted]

NINGXIA LEADERS AT ARMED POLICE PARTY CONGRESS

HK060243 Yinchuan Ningxia Regional Service in Mandarin 2300 GMT 5 Mar 87

[Text] Since its establishment, the Ningxia Armed Police Force has seriously implemented the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee and victoriously fulfilled its various tasks. As a result of 3 years of party rectification, the force has straightened out party style and stepped up party building. It has launched an extensive drive to build spiritual civilization centered on [words indistinct]. The mental outlook of the cadres and fighters has undergone a profound change. The force has upheld the principle of governing the police with strictness and gradually placed all work on the proper track. The force has also successfully fulfilled all its public security and defense tasks, and has made positive contributions in upholding stability and unity, defending the four modernizations drive, and supporting and taking part in national construction.

The Ningxia Armed Police Force recently held its first party congress to sum up the work of the past 3 years and study and formulate measures for further improving work. Regional party committee leaders Shen Daren, Bai Lichen, and Shen Xiaozeng attended the congress. Shen Xiaozeng made a speech on behalf of the regional party committee. He fully endorsed the force's work achievements over the past 4 years and put forward demands on future work.

SHAANXI CONGRESS REPORTS PLANNING, FINANCE

HK120217 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 12 Mar 87

[Excerpts] The fifth session of the sixth provincial People's Congress held its second full gathering yesterday to listen to a report by provincial Planning Commission Director (Chen Xingwen) on the draft plan for the province's economic and social development in 1987, and a report by provincial Finance Department Director Ge Tao on the final accounts for 1986 and the draft budget for 1987. [passage omitted]

(Chen Xingwen) said in his report: The general tasks in economic and social development plan for 1987 are to launch the drive to increase production and practice economy and increase revenue and economize expenditure, improve supply, control demand, and strive for a basic balance between total supply and demand. Under the premise of improving economic results, we should maintain an appropriate growth rate and build the national economy on a foundation of long-term stable development. We should also create excellent conditions for the entire economic structural reform.

The main targets in the 1987 plan are: total industrial and agricultural output value to reach 29.85 billion yuan, a rise of 6 percent over 1985; grain output to reach 10 million tons, a rise of 350,000 tons; and output value of heavy industry to rise by 7 percent on the basis of improving economic results.

(Chen Xingwen) said: In accordance with the principle of ensuring three things and cutting three, decided by the State Planning Commission, the province must first ensure meeting the needs in key capital construction work in agriculture, raw materials, energy, transport, and light industry, and cut ordinary processing industrial construction.

Ge Tao said when reporting on the execution of the 1986 budget: The province's financial revenue in 1986 was 2,409,080,000 yuan, exceeding the planned figure by 79.34 million yuan, and exceeding the 1985 figure by 248.2 million yuan. [passage omitted]

The province's financial revenue plan for this year is 2,669,800,000 yuan, a rise of 260.72 million yuan -- 10.82 percent -- over the actual figure for last year. This year the arrangement of financial revenue and expenditure basically expresses the principle of first, eating and second, carrying out construction.

XINJIANG GOVERNOR DISCUSSES ECONOMIC TALKS

HK030201 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Mar 87

[Excerpts] In his government work report delivered at the sixth session of the sixth regional People's Congress, regional government Chairman Tomur Dawamat stressed when discussing the work for 1987 that it is first necessary to boost the reserve strength of agriculture and strive for a bumper harvest for the 10th successive year. [passage omitted]

He said: It is essential to get a good grasp of grain production, stabilize the sown area, readjust the varieties, focus on raising yields, and ensure the fulfillment of the task of producing 10.8 billion jin of grain. We must continue to uphold the principle of actively developing diversification without the slightest slackening of grain production, rationally readjust the production structure in light of market requirements, and vigorously develop production of cotton, oil crops, sugarbeet, and other strong-point crops. We must vigorously carry out afforestation and fulfill the task of planting trees on 1 million mu this year. [passage omitted] The region should strive for relatively greater development in animal husbandry this year.

He said: We must step up input in agriculture and animal husbandry, strengthen infrastructural construction, and boost the reserve strength for the development of agriculture and animal husbandry. The people's government at all levels should increase investment in capital construction for agriculture and animal husbandry as much as possible. They should also encourage the collectives and the peasants and herdsmen to increase investment. [passage omitted]

Tomur Dawamat stressed that, under the premise of ensuring a certain growth rate in industry this year, it is essential to work hard to improve economic results and increase output and income. The region should actively readjust the production structure and the product mix. All enterprises should study the market changes and vigorously increase output of products with a ready market. We should vigorously develop the light, textile, and food industries using agricultural and animal husbandry products as raw materials, and also develop high-quality and nationality products.

We should speed up the pace of technological transformation of the enterprises and spur technological progress. [passage omitted] In technological transformation, we should mainly aim at improving product quality, increasing variety, and reducing input consumption. The focus should be on large and medium enterprises and enterprises that earn foreign exchange from exports.

We must further improve enterprise management standards and implement the various operational responsibility systems, so as to tap potentials and invigorate the enterprises. [passage omitted]

Tomur Dawamat pointed out: In accordance with the State Council's demands, we must compress the overheated atmosphere, strictly control investment in fixed assets, and continue to readjust the investment structure. The aim of this is to truly spend the money where it is most needed, make still better use of our limited capital, ensure key construction work, and maintain the reserve strength for national economic development

This year the region must unswervingly carry out the state construction plans and strictly act according to the plan. Investment in fixed assets must not exceed the limits set by the plan. Cases of exceeding the plan will be dealt with as violations of discipline, and the leaders responsible will be held accountable.

We must readjust the investment structure. All areas and departments must implement the guideline of ensuring construction covered by the plan and cutting construction not covered by the plan, ensuring productive construction and cutting non-productive construction, and ensuring key state construction projects and cutting non-key projects. We must take stock of projects currently under construction. Construction of non-productive projects such as large guildings, halls, and centers should be halted or deferred in light of the circumstances. It is also necessary to take stock of productive construction projects. Projects for producing commodities in ample supply or projects with poor economic results should be halted. Readjustments must also be carried out in the use of the self-raised capital of the localities and departments. The focus must be on supporting the development of agriculture and animal husbandry and the township and town enterprises.

Chairman Tomur Dawamat stressed in his report that launching a drive to increase production and practice economy is a core task in the region's economic work this year. In order to launch this drive, it is essential to oppose extravagance and waste and economize all expenditure. We must do a good job in managing and using our existing capital, practice strict economy, and achieve more while spending less. We must resolutely cut expenditure on meetings, improve the work of caring for guests, strengthen supervision and inspection work, and strictly enforce financial and economic discipline. [passage omitted]

12 DPP LEGISLATORS TAKE OATHS OF OFFICE

OW110901 Taipei CHINA POST in English 7 Mar 87 p 12

[Text] Twelve legislators of the opposition Democratic Progressive Party were sworn in by Grand Justice Shih Hsi-en yesterday, 11 days after boycotting the official oath-taking ceremony to protest dual nationalities held by other legislators.

The 12 included Chang Chun-hsiung, Chiu Lien-hui, Wang Tsung-sung, Yu Cheng-Hsien, Huang Wang-hsiung, Wang Yi-hsiung, Kang Ning-hsiang, Chu Kao-cheng, Wu Hsueh-shen, Yo Ching, Hsu Kuo-tai and Hsu Junghsu.

STAND TOWARD COMMUNIST STATES CLARIFIED

OW110319 Taipei CNA in English 0306 GMT 11 Mar 87

[Text] Taipei, March 11 (CNA) -- The ROC [Republic of China] Government, insisting on its stand of no compromise with the Chinese Communist regime, is adopting a more flexible attitude in dealing with other communist bloc nations. Such relations are established on a case-by-case basis, Premier Yu Kuo-hua said Tuesday.

The ROC Government has never confused [its] attitude toward the Peiping regime with those toward other communist countries, Yu said in response to an interpellation by Legislator Hung Wen-tung.

Legislator Hung suggested that the government develop a more specific stand and policy in dealing with communist nations.

A flexible attitude is necessary in expanding the ROC's international relations, but the ROC Government will not change its policy of always standing by the democratic camp.

As communist nations often change their policies, the ROC Government has to be flexible in dealing with them to protect the interests of the people here, Yu said.

PLANS TO UNITE OVERSEAS CHINESE SUPPORT TOLD

OW110313 Taipei CNA in English 0235 GMT 11 Mar 87

[Excerpt] Taipei, March 11 (CNA) -- The Overseas Chinese Affairs Commission will strengthen its service among Overseas Chinese communities to unite those who support the Republic of China Government, and to counter the Communist Chinese "united front" strategy, commission chairman Tseng Kwang-shun said Monday.

Tseng said his commission is planning to set up a fund to provide loans to help Overseas Chinese set up their own businesses. Moreover, the commission will organize international trade and professional meetings and help train Overseas Chinese professionals.

The government will continue to promote Chinese-language education abroad, Tseng said. Two steps to be taken in this respect are assisting Overseas Chinese associations in teaching the Chinese language and increasing cultural programs here for Overseas Chinese youths, he said. [passage omitted]

HONG KONGLAW ON PUBLIC ORDER, PRESS CONTROL PASSES

HK120257 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 87 pp 1, 2

[By Bernard Fong]

[Text] The controversial new press control became law last night after the Legislative Council [Legco] passed it at 11:20 following a marathon eight-hour debate which aroused partisan passions.

Only nine of the 56 members voted against the Public Order (Amendment) Bill -- including a surprise defection from the government side of an appointed member, Mr K.C. Chan, whose speech was applauded by the gallery.

Mr Szeto Wah put forward a motion to defer the final reading -- a rare event in the chamber where the agenda is usually fixed.

However, his motion was defeated by a majority of votes.

Emotions flared in the usually staid Legislative Council chambers as the Chief Secretary, Mr David Ford, defended the amendment to the 36-year-old ordinance as aiming to protect the public against "false news that might cause alarm" in a delicate period in the history of Hong Kong.

The debate that ranged from personal feelings to finer legalistic points was said to be the most intense since that over the Daya Bay Nuclear Plant last year.

Mr Ford was visibly stung by persistent attacks from opponents to the bill, led by Mr Martin Lee QC [Queen's Counsel] and Mr Szeto Wah, who both stressed that the amendment would grievously curtail freedom of expression in Hong Kong.

Mr Ford, affronted by Mr Lee's repeated reference to Singapore, which upheld a similar law, said the bill was not meant to repress the news and silence the media, which he credited as the fount of prosperity in Hong Kong.

Dr Conrad Lam said the difference between a civilized society and a barbarous one was in freedom of information, which he described as the first and most fundamental of all freedoms.

Mrs Selina Chow, also incensed by the speeches from those against the bill, accused Mr Lee and a spokeswoman for the Hong Kong Journalists' Association, Ms Emily Lau, of an about-face, saying the two had advocated widening the scope of the amendment and deleting the implicit reference to the press.

This, she said, suggested confusion in the opposition's ranks to a bill drafted in 1951 and which had been invoked only three times in 1967.

Mr Lee countered that he had all along opposed the amendment and said the government had not allowed the public enough time to examine its full implications.

He asked, along with Dr Lam and Mr Szeto, why the government was in such haste to rush through an amendment at a time when the public and just regained some of its confidence in the government.

Mrs Chow said the amendment was gazetted on December 19 last year and had been postponed earlier to give Legco members a chance to ponder its most profound meanings. She said: "The public has had ample time to discuss the issue."

Mrs Chow considered it dubious of Mr Lee and others to seek a deferment to gain a political advantage.

Mr Hilton Cheong-leen said last Thursday he had received the altered version of the amendment in which the reference to "malice" had been deleted.

He argued that six days were hardly sufficient time for him and the public to mull over the bill.

Mr Lee in his speech argued that under British law, the burden of proof of guilt beyond reasonable doubt rested with the prosecution. He feared the amendment would force the accused to prove his innocence.

Those opposing the bill said the motive behind it was probably commendable but they dreaded its interpretation by the judiciary.

Mr Szeto compared the bill to a knife pressed against the public throat which, even if not used, could intimidate the press from reporting sensitive news and based on information from anonymous sources.

Mr Cheong-leen said if the United States had a similar law during the Watergate investigations, the news about a President's shenanigans would have been muffled and the reporters and their editor charged.

He said the public trusted the integrity of the Hong Kong newspapers which has proven themselves to be responsible and generally well-disciplined.

Mr Stephen Cheong, chafing at the "pressure tactic" he said the opposition had put on him, said he had received menacing phone calls from unknown individuals and had been maligned as "a sinner" for his advocacy of the revamped bill.

Mr Ford, angered by the insinuation that the bill was a prelude to an authoritarian system for Hong Kong, challenged the insinuation that the government held malice towards the media.

Mr Lee quoted names of government lawyers who had voiced their disquiet with the bill and asked they not be punished for their definance.

Mr Chow seemed especially hurt and said the proponents of the amendment need not answer to their conscience as the opponents suggested.

Miss Maria Tam said she too had the interest of the public in mind when she championed the bill, and referred to the times she had been misquoted in the press and after which no apology had been given.

She said Hong Kong, being a small place, was especially sensitive to canards and rumours and could not afford to have a few members of the media, from negligence or incompetence, cause a stir.

Dr Helmut Sohmen, a former lawyer, challenged Mr Lee on the legality behind the amendment.

Mr Lee, citing contradictions in the government stance to show how convoluted and complex the issue was, said the bill could hamper the gathering of news by reporters and editors who "consider it their gospel not to divulge their sources."

Mr Lee and Mr Szeto argued that the existing laws on libel and sedition sufficed to punish those who misused the press and the amendment would be a redundancy with dangerous repercussions.

Mr Szeto, who interrupted the session with the request for a deferment, said with deep emotion that the people had long relied on the press to provide them with uncensored and unfettered news.

Mr Ford said opponents, especially Mr Lee, did not seem to suffer from the absence of the freedom of speech.

Mr Lee retorted that "indeed we know we are privileged," a remark which provoked chuckles in the gallery and frowns from the defenders of the amendment.

He said the credibility of the government would not be harmed and the pride of many councillors would not be hurt if they were willing to defer the bill and reconsider its significance.

Mr Stephen Cheong denounced "confrontational tactics which endanger the spirit of the team...and that no one can be so dominating...when a decision has been reached by the majority."

Mr Lee said the bill was initially drafted to curb the Communist infiltration of the press and the publication of rumours to agitate the territory.

Since then China and Britain had signed a treaty on Hong Kong and the relationship between the countries was good, the 1951 bill was itself an anachronism. [sentence as published]

The Acting Governor, Sir David Akers-Jones, twice asked the loquacious Mrs Selina Chow not to drag on and veer from the central subject when she expounded on the philosophy behind the bill.

The bill became effective at 11:20 when the votes won the day.

'Measure of Last Resort'

HK120319 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 87 pp 1, 2

[Text] The Public Order (Amendment) Bill 1986 was a "determined effort by the government to repeal those repressive measures in our laws which were so contrary to all the freedoms that Hong Kong for", the Chief Secretary, Mr David Ford, said.

He assured that the bill would be a measure of last resort if it was ever used, and totally rejected the allegation that the bill was introduced to seek favour from Beijing.

In his winding up speech for the resumed debate on the Public Order Bill, Mr Ford said the removal of the false news provision from the Control of Publications Consolidation Ordinance to the Public Order Ordinance was a "clear indication that the provision is not meant to limit press or personal freedom but simply safeguard the community from false news which is likely to alarm public opinion or disturb public order."

He said: "Without doubt, the present formulation of the clause is the most mildly phrased section in all previous legislation.

"It is for this reason, and for this reason alone, that we have included this clause in the Public Order Ordinance. So we believe that the community is entitled to protection from irresponsible reports which have serious consequences for the stability of this territory.

"If it is ever used, it will be used sparingly, and with particular care. It is a measure of last resort.

"I totally reject any allegation which imputes the motive of this government in bringing in this clause. Some, such as the absurd proposition that we retained it to seek favour with Beijing, are bizarre to say the least."

Mr Ford noted that it appeared that the major worry for the media over this issue was that a future government could use the bill in a repressive and authoritarian way.

He found this argument difficult to follow on three grounds.

"Firstly, if the rule of law is to continue to apply the considerable burden of proof which lies with the prosecution [this] will certainly inhibit its use as a repressive measure against the freedom of press.

"Secondary, the absence of any law which makes the dissemination of false news an offence would not in itself guarantee that there would be total press freedom. Indeed a better safeguard would be to build a system with checks and balances so as to ensure that powers were not abused.

"Thirdly, sadly, if however a future government is determined to restrict press freedom, the absence or presence of a law would not inhibit it, as every journalist who has worked elsewhere in the region must know," Mr Ford said.

Mr Ford noted that the bill was introduced into the Legislative Council more than two months ago following a long and thorough review of existing legislation dealing with the control of publications in Hong Kong.

He said that as a result of the review which the media asked for and supported, the bill was introduced into the council, and this repealed provisions which had been on the statute books for over 30 years.

These provisions are:

- To make it an offence to print or publish anything of a subversive nature.
- To provide for the suppression of newspaper and their publications.
- To provide for the prohibition of the importation of publication.
- To provide for a registrar of newspapers to refuse or suspend the registration of news agencies.
- To provide the seizure of printing presses.
- To provide for the search, seizure, forfeiture and the disposal of articles used for contravening the Control of Publications Consolidation Ordinance.
- To allow the registrar to refuse to licence or cancel the licence of distributors.

Mr Ford said: "For some 35 years the community and the media in Hong Kong have lived with these provisions as part of the law, and amongst them, in the Control of Publications Consolidation Ordinance in Chapter 268, Section 6, was a passage concerned with the publication of false news."

In spite of the existence of these laws, the government has espoused and encouraged freedom of expression in the media and in public generally in a way which has drawn praise not only from countries in this region but from many parts of the Western world also, he said.

"But two months ago, in order to bring our laws into line with the freedom practised in Hong Kong, we proposed to repeal those draconian laws, and retain only one clause in one piece of legislation which is solely concerned with the maintenance of public order," he added.

Mr Ford said he was "astounded" by the way the bill was greeted in the last two weeks of a two-month consultation period by the local media.

"As a long-time defender of the principle of free speech, I could hardly take issue with the rights of the authors of these questions to speak their mind as they see fit.

"But I enjoy that freedom too. I enjoy the freedom to suggest that such irrational outbursts as these do little (good) to certain sectors of the media in Hong Kong," he said.

He believed the media would continue to have an important role to play as watchdogs in the local community.

"But the tremendous influence they exert over the public carries with it the responsibility to present arguments in a fair and balanced way, and wherever possible to ensure that their news is truth.

"Similarly, it is for the government to exercise its powers in a responsible way. The track record of this government, I believe, can give no cause for concern in this regard," he said.

WEN WEI PO ARTICLE VIEWS FREEDOM OF PRESS

HK120821 Hong Kong WEN WEI PO in Chinese 12 Mar 87 p 5

[Article by Yang Wen-tien (2799 2429 1131): "Freedom of the Press and Basic Law"]

[Text] Freedom of the press has recently been a popular topic of conversation in press circles, and yesterday a working group of the Basic Law Consultative Committee adopted "a statement on the standpoint of freedom of speech, publication, and the press made by press circles. Guaranteeing freedom of the press and upholding the current law of operations of press circles is an important link to guarantee that the social system of Hong Kong will remain unchanged in the future. As the Basic Law will be used as the basis of the law of the Hong Kong Special Administrative Region, it is significant to explore the problem of how the Basic Law can guarantee freedom of speech, publication, and the press and to put forward positive suggestions.

"No change in 50 years" is not an empty promise and it must be really guaranteed that freedom of the press after 1997 will not be less than that enjoyed by Hong Kong people today; otherwise, Hong Kong in the future will not be the Hong Kong of today and the essential factor of prosperity will be lost. The legal system is relied on to guarantee freedom of the press. According to common law, the conventions of Hong Kong on freedom of the press must be upheld and the original set of laws respected and observed. Judicature must be independent and not be interfered in by administrative organs, and the rights and interests of the press trade must not be affected. China has resolutely upheld the prosperity and stability of Hong Kong and will not change the present situation regarding freedom of the press. We believe that after persons of all quarters fully discuss the Basic Law, Hong Kong people's freedom of belief, freedom of speech, and freedom of the press can be fully guaranteed in the relevant articles.

EDITORIAL ON COUNTERING U.S. PROTECTIONISM

HK120327 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 87 p 14

[Editorial: "Coping With the New Protectionism"]

[Text] Although recently "competitiveness" has become a buzzword of the Reagan administration, the rest of the world justifiably may wonder if the Americans really mean it. All the speeches in the world will not make the U.S. competitive in a global economy without a return to the sort of "Yankee trader" mentality seen on the China coast in the 18th and 19th centuries.

With too much of the American economy now controlled by "employees" -- in fact, chief executives fearful of their shareholders, financial analysts, corporate raiders, and the loss of their perks and "golden parachutes" -- protectionism seems the safer, quicker answer.

Hong Kong deludes itself to think that its genuine commitment to free trade will buy exemption from the potentially reckless petulance of a U.S. Congress controlled by the Democratic Party, which is concerned by the loss of jobs among its traditional supporters.

One of the real virtues of President Reagan has been his commitment to free trade. However, his is a weakened Presidency facing the possibility of further erosion of public confidence over the Iran Arms sales affair and the diversion of funds to the contras (if that is where the money really went). The administration's vigour in blocking protectionist legislation may lessen in order to preserve political capital for what is perceived to be more vital issues.

Despite the decision this week by the Hong Kong Government to step up the fight against U.S. protectionism, it would be unrealistic for Hong Kong to hope for much fair consideration from the U.S. Congress or relevant agencies of the American Government. There has been ample warning for more than a decade to lessened dependence on textile exports to the U.S.

There seems little objective, independent assessment of the success, or lack of it, of Hong Kong's lobbying efforts in the U.S. By being so textile oriented, Hong Kong arouses the ire of powerful southern legislators and confronts one of the most harmed, and recalcitrant, sectors of the American economy. Even the legendary comedian, Bob Hope, has donated his time to television commercials telling Americans to buy clothing "made in USA." Spending more money to influence U.S. Opinion is no guarantee of success. Images of cheap Asian sweatshop labor creating unfair competition are too powerfully engraved on the American psyche.

The Japanese genius for adaptation, no matter how unpleasant, has placed them economically ahead of all other countries in the region. A prime example, and one which particularly should be noted in Hong Kong, is Japan's ultimate willingness to make direct investment in the U.S., including the manufacturing sector. This has been enforced insurance against the inevitability of tougher U.S. restrictions on imports from Japan.

Just as U.S. businessmen have benefited from Hong Kong's proximity and unique experience in China, so could America benefit by example from the hardworking entrepreneurship of Hong Kong capitalists, manufacturers and trading companies. The Mayor of San Francisco, Ms Diane Feinstein, said here last year that Hong Kong investment in the U.S., with the attendant jobs created for Americans, would be an excellent strategy to deflect a generalised protectionist sentiment toward Asia away from the territory.

Secondly, the businessmen of Hong Kong must more actively solicit U.S. imports into our thriving domestic market. Americans considering the need for protection should be reminded that Hong Kong is a genuinely free and open market, and that there is considerable potential for expanding sales here. Although a Hong Kong-U.S. organisation has been formed to encourage the growth of American imports into Hong Kong, it seems too soon to evaluate.

The plight of the American textile worker; continued public perceptions of this as well as American conviction about unfair competition from Asia; and the continued political power of the American textile lobby present nearly overwhelming odds against much success for Hong Kong Government-sponsored efforts to keep those tariff barriers down, despite the effects this will have on the territory. When self-interest is at stake, the plight of distant friends takes second place.

Perhaps something more than lip service should be paid to the Productivity Council and other institutions which can contribute to the innovation and diversification of exports to the U.S. of Hong Kong goods, perhaps even services, so that textiles do not appear to loom so large.

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